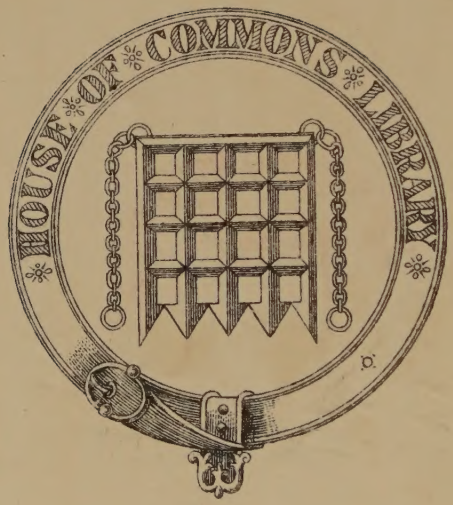
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RAILWAY AMALGAMATION IN GREAT BRITAIN

Railway Amalgamation

in

Great Britain

BY

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PREFACE

On completing my task, it is with the deepest regret that I have to record the death of the President of the Amalgamation Tribunal, Sir Henry Babington Smith. I had hoped that this book would have the advantage of an introduction from his pen, but he fell ill during the summer of 1923, when the book was being written, and died on the 29th September, the day after the last public sitting of the Tribunal, when its work was virtually completed. This is not the place for a memoir of his distinguished public career, which is commemorated elsewhere, but it may be appropriate here to say that the smooth and successful conduct of the great task entrusted to the Tribunal undoubtedly owed much to the unfailing tact and conspicuous ability with which he guided its labours.

A complete account of the proceedings and work of the Tribunal has appeared between 1921 and 1923 in the *Railway Gazette*, to the publishers of which I am indebted for permission to draw freely upon material contributed to its columns, and to reproduce the sketch maps illustrating Chapter VII. Other authorities consulted in preparing the book are indicated in the Bibliography.

For encouragement in persevering with a task which, amidst much pressure of other work, could only go forward "in the intervals of business," as well as for other assistance, I owe thanks to my wife.

W. E. S.

October, 1923.

To

M. S.

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RAILWAY AMALGAMATION IN GREAT BRITAIN

Chapter I.

Historical Introduction.

Railway amalgamation is nearly as old as the introduction of steam locomotives on the railways of this country. The consolidation this year of most of the railways of Great Britain, under the provisions of the Railways Act of 1921, into four great amalgamated companies, brought the subject with almost dramatic suddenness to the forefront of public attention, but it is probably not generally realised that the grouping which has now been effected is the culminating, or perhaps rather the penultimate, stage in a long process of consolidation which began early in the fourth decade of last century, when the steam railway was still in its infancy.

The Stockton and Darlington Railway was opened in 1825, but it was not until after the famous locomotive trials at Rainhill in 1829, when Stephenson's "Rocket" made its appearance in history, that railways essentially as we now know them may be said to have come into existence. They were at first mere tramroads, operated by horse power or by stationary engines, nor was it accepted for some time after the introduction of locomotive working that the owners of the permanent way

should have the exclusive right of carriage upon the line. Following the precedent of the canals, where the owners of the waterway were not carriers, and also that of the turnpike trusts, it was at first assumed that any carrier would be free to work his vehicles over the railroad, but considerations of safety and the exigencies of operation with steam trains soon demonstrated the impracticability of allowing anyone but the railway company itself to work the traffic. Railways then took shape in their modern form, although on a vastly smaller scale, and within a few years afterwards, amalgamation began. Indeed, as the majority of early railways were short lines, constructed to serve purely local needs, the process was an inevitable concomitant of growth and development, and since the early 'forties of last century, combination in one form or another has proved to be a large part of railway history.

Before tracing in brief outline the history of railway amalgamation prior to the war, it may be advisable to define what is meant by amalgamation, and to distinguish between it and other forms of combination among railway companies which have been practised in the past and to some extent even now remain in operation.

In a series of lectures delivered to the London School of Economics in 1912, and subsequently reproduced, Mr. W. A. Robertson enumerated 10 distinct forms of combination or co-operation between railway companies, ranging from complete fusion to representation on a joint committee for a special and limited purpose. They are as follows :—

1. Amalgamation.
2. Joint lines.
3. Working union.
4. Lease.
5. Working agreement.
6. Running powers.
7. Pooling agreement.
8. Agreement not to promote competing Railway.
9. Clearing house conferences.
10. Joint Claims Committee.

By *amalgamation* is generally understood the complete union of two or more companies to form a new company, the respective capital and other powers, boards of direction, personnel and physical resources being welded together into one organisation, so, however, that the capital of the amalgamated company does not exceed in the aggregate that of the previously existing companies, and that no new or enlarged powers enure to the new company by reason of the amalgamation. The term may also be deemed to include the absorption by a large company of one or more smaller undertakings, no change taking place in the vesting company save by the addition of the capital and other resources of the vested companies.

The second form of combination is that of *joint lines* owned by two or more companies, and generally managed by a committee representing each of the owning companies. There have been many examples of this form of co-operation, which has proved on various occasions an excellent method of avoiding opposition or competition, and several still subsist outside the purview of the Railways Act, or between the four groups. A notable example of the former is the Cheshire Lines Committee.

A *working union* is for all practical purposes an amalgamation, the companies retaining a separate formal identity and separate capital, and managing the joint property by a committee composed by directors of both companies. The South Eastern and Chatham union was a case in point.

Many small railways now absorbed in the groups were *leased* to and worked by one or other of the larger companies, for various terms, sometimes in perpetuity, and even where a lease does not exist, a *working agreement* may have the same effect, the worked line being entirely managed by the working company, generally on the basis of a division of the gross receipts.

Running powers, as the name implies, are powers obtained by one company to run its vehicles over the lines of another company. Such agreements, may of course be mutual, and they may confer either general or limited powers upon the parties, limited, that is, either to certain kinds of traffic, or to portions only of one of the respective systems. Such powers are usually valuable concessions, and may in some cases be so extensive as to verge upon a lease or working agreement.

Pooling agreements are of varying forms and degrees of complexity, from a simple agreement between two competing companies to divide the receipts from traffic between two competitive points, to a system of co-operative working between two or more companies applying to all competitive points on the borders of their respective systems, and amounting in practice to what has been termed a "working alliance." There have been many examples of such pooling agreements throughout railway history, and especially on an important scale in the decade before the war.

The remaining forms of combination or co-operation need not detain us. An agreement between two companies not to promote a competing railway is self-explanatory. Clearing house conferences form an important part of railway administration in this country, and will be referred to later in discussing the influence of the Railway Clearing House on amalgamation. The conferences relate to rate fixing, and many important matters falling within the purview of the general manager, goods manager, superintendent, and other chief officials of railways, who meet together periodically on these bodies to discuss their common problems.

The Joint Claims Committee was instituted in 1902 to deal on a common basis with claims for loss or damage made against the various companies. Practically we are

concerned in this work almost entirely with the first and most important form of combination among railway companies, known as amalgamation, and including absorption.

From the early days of railways up to 1914, it is estimated that over 1,000 railway companies had disappeared, chiefly by consolidation. Many of these, of course, represented several successive stages of amalgamation. By 1875, the number of separate companies had been reduced to about 247, and the Railways Act of 1921 deals with only 120, although of course various joint lines and a number of light railways were left outside its scope. In 1914, however, there were but 14 " Great " railways in Great Britain, while the Act itself only recognises 25 " constituent " companies (counting the South Eastern & Chatham as one), and several of these, such as the Barry, Cardiff, and Hull & Barnsley, were of purely local importance. Moreover, among all these companies, many forms of working agreement or other co-operative arrangement already subsisted.

After the building of the Stockton & Darlington, the Liverpool & Manchester, and other local lines, the first important trunk line to receive the sanction of Parliament was the London & Birmingham (later forming part of the London & North Western), which obtained its Act in 1833. In the following year, what was probably the first railway amalgamation took place, namely, that of two short lines known as the Wigan Branch railway and the Preston & Wigan railway. Then followed several small amalgamations, including those which formed the Grand Junction and the Chester and Crewe lines, until 1840, when there was a lull. Amalgamation as a more or less continuous process really began in 1844 with the fusion of the Midland Counties, Birmingham & Derby, and North Midland Railways, which formed the nucleus of the Midland

Railway system. This company from the outset has always been active in extension and amalgamation, impelled thereto by its geographical position in the centre urging constant outward growth in order to counteract or forestall constrictive pressure upon its borders.

In 1846, which was the "bumper" year of railway expansion, and by a natural consequence, of amalgamation proposals, a number of companies, the forerunners of the modern trunk systems, began to unite. In Scotland, a group of local lines coalesced to form the early Caledonian, perhaps the most euphoniously named of our railways, now, with other well-known names, "interred" in history. In England, our premier railway, the London & North Western, was formed out of the London & Birmingham, the Grand Junction, and the Manchester and Birmingham systems, themselves the fruit of previous amalgamations. In the same year, first appears the Lancashire & Yorkshire, of which the nucleus was the Manchester & Leeds railway. Striding across the Midland and North Western territory, several connecting railways took shape as the Manchester, Sheffield and Lincolnshire system, later to come into prominence under the vigorous direction of Sir Edward Watkin, and finally, after various additions, to throw out an extension to London in 1900, thus becoming the last of the metropolitan trunk lines under the name of the Great Central Railway. The Great Western, originally the London & Bristol, and the London & South Western, formerly the Southampton line, were already in existence

In this year also was formed the London Brighton & South Coast Railway, a fusion of the London & Croydon, and the London & Brighton lines, and in the following year a local amalgamation produced the East Anglian, which later, with the Eastern Counties and one or two branch lines, became the Great Eastern Railway. This process, however, was not completed until 1862. The

last, but by no means the least, noteworthy amalgamation belonging to this period was that which formed in 1847 the York, Newcastle & Berwick railway, which with various accretions became seven years later the North Eastern Railway. Altogether, in the Parliamentary session of 1846, nearly 200 Bills involving the principle of amalgamation were submitted. Apart from those which failed to satisfy the rules of procedure or otherwise became ineffective, a large proportion of these schemes were of minor importance or formed preliminary steps towards the larger amalgamations indicated above.

The great activity in the promotion and construction of railways during the early 'forties, culminating in the financial crisis of 1847, necessarily brought them under the attention of Parliament. In 1840 and 1842, short Acts were passed for regulating railways, which marked the beginning of statutory intervention and introduced a very modest measure of Board of Trade inspection.

In June, 1844, a much more ambitious measure was introduced by Gladstone, who, as chairman of a strong Select Committee, had conducted a searching enquiry into railway questions earlier in the same session. Gladstone's Bill aimed at giving the State a direct and intimate control over the railways, and also the right to purchase all railways constructed after that year. The measure was greatly modified before it reached the Statute book, where it still remains, unrepealed. That it is unlikely to be operative, however, is indicated by the fact that, as early as 1872, the Joint Select Committee on Amalgamations reported that "its terms do not appear suited to the present condition of railway property, or likely to be adopted by Parliament in case it intends, at any future time, to purchase the railways." Gladstone's original proposals were in advance of the opinion of that day, and were indeed strongly contested by the railway interest,

although, in the light of subsequent events, it appears probable, even from the railway point of view, that had they been carried into effect, railway development, so far at least as legislative intervention was concerned, might have proceeded on sounder lines.

The Act, however, had no direct effect on amalgamation, although this movement had been one of the main causes of the enquiry which preceded it, but one of its legacies was the short-lived Railway Board presided over by Lord Dalhousie, which did much good work in examining and reporting on railway Bills and amalgamation proposals in 1844 and 1845, when it was dissolved. Shortly afterwards the Great Northern Railway Company, against which the Board had reported, came into existence, after a considerable and costly struggle before the Parliamentary Committee.

It was at this time that Samuel Laing, then secretary to the railway branch of the Board of Trade, afterwards Chairman of the Brighton Railway, and known since in other fields as the author of popular expositions of scientific and religious problems, expressed the opinion, in noting the rapid progress of amalgamation, that ultimately the principal railway communications of the Kingdom would be parcelled into six or eight great systems. The public would gain, he thought, in many ways, but unquestionably the consolidation of so many independent railway interests must be looked upon as a final abandonment of the principle of competition. There would probably be some competition on the borders of the great systems, but it would be only waste of money. He concluded that amalgamation must be regarded as a full and final sanction of the principle of monopoly in railway facilities, which under proper regulation might be beneficial as it appeared to be inevitable.

The Select Committee appointed in the Parliamentary

Session of 1846, which, as we have seen, was faced with nearly 200 Bills involving amalgamation, devoted considerable attention to the question, but did not get beyond the statement that they were not opposed to the principle of amalgamation, recommending that individual schemes be considered by Select Committees on their merits. They further recommended that the rates and charges of amalgamated companies should be subjected to periodical revision. The Second Report of this Committee, which dealt largely with canal amalgamation, reminds us that during this period and subsequently, the absorption by the railways of their once formidable competitors was proceeding apace.

Shortly before the collapse of railway activity in the financial crisis of 1847, there was established an institution, which later, as its scope and operations developed, exercised a great influence on the growth of combination among railway companies. This was the Railway Clearing House, which probably owed its origin to a suggestion of Robert Stephenson. Started on a modest scale in 1842, as the voluntary association of a few narrow-gauge railways (as they were then termed in contradistinction to the Great Western and other broad-gauge lines), for the purpose of regulating the interchange of traffic and the adjustment of rates between its members, it made steady progress until 1850, when it obtained an Act of incorporation from Parliament. None of its nine original members long survived as independent companies, all disappearing in various fusions. Nevertheless, its membership steadily increased, together with the range and volume of its work, until it became the great organisation which to-day compares fairly in importance in the railway world with the Bankers Clearing House in finance. By bringing out clearly as the results of its operations, the extent of the common interests of many railways represented in its

membership, the Clearing House undoubtedly "documented" and probably accelerated the process of consolidation.

Before leaving this period, it may be noted that, in 1846, after the Select Committee referred to had completed its work, a second attempt was made to concentrate the railway functions of the Board of Trade in a separate Railway Commission. This body, consisting of five members, carried on its work until 1851, when it was abolished, its duties being retransferred to the Board of Trade. A Bill which was introduced in 1847 to give the Commission extensive powers of control, was withdrawn, after debates in the House of Commons which strongly resemble, in certain of the arguments used, much later debates on the functions of the Ministry of Transport.

After 1847, railway promotions fell off considerably until 1852, when there was renewed activity, especially in regard to amalgamation proposals. In that year, several large schemes were proposed, notably the amalgamation of the London & South Western and the Brighton companies, and an ambitious project for uniting the London & North Western, Midland and North Staffordshire systems. Although these railways were then of course much smaller than they eventually became, these were formidable proposals for those days, and taken in conjunction with a further crop of railway Bills of all kinds, totalling nearly 150, over a score of which involved questions of amalgamation, led to the appointment of another Select Committee on Amalgamations and railway legislation generally. About this time, also, a number of working agreements or pooling arrangements had been growing up between various companies, of which an important instance was the Scotch pooling agreement of 1850 made between companies interested in the Scotch

traffic for pooling the traffic from England to Edinburgh, Glasgow and the North in certain fixed proportions.

Cardwell's Committee, as it was afterwards known, from its chairman, sat until June, 1853, and issued five reports. Among the many witnesses examined was Robert Stephenson, whose dictum in regard to amalgamations was characteristic and concise: "Where combination is possible, competition is impossible." As a result of their deliberations, this committee opposed the principle of amalgamation, and the chairman later moved and carried in the House a resolution that no railway Bill containing any powers of amalgamation, purchase, lease, working arrangement, or other combination of interest between different companies, be read a second time unless all such powers were struck out of the Bill. In order to preserve the control of Parliament over railways, they proposed instead that working agreements between companies should be authorised for a limited period, their form and renewal being subject to Parliamentary sanction. Another outcome of the committee's work was the Railway and Canal Traffic Act of 1854, compelling railway companies to give reasonable facilities for traffic, to accept and forward through traffic, to grant no undue preference, and laying down conditions regulating their contracts as carriers.

The Committee's report effectively disposed of the amalgamation schemes then before the House, although subsequently Parliament receded from this position, with the result that, in the following year, the amalgamation scheme of three companies, the Leeds Northern, the York and North Midland, and the York, Newcastle and Berwick, was again brought forward and passed. Thus was brought into existence the North Eastern Railway, which consistently throughout its subsequent career pursued a policy of territorial domination. Working agreements

of many kinds also increased in number during this period, and in 1863 an Act was passed making a Board of Trade certificate sufficient sanction for such agreements, without the companies being required to promote a special Act.

In 1862, the fusion which created the Great Eastern Railway out of the Eastern Counties, East Anglian and other branch railways was successfully effected, and during the succeeding decade, various local amalgamations were completed, while the trunk lines were all busy adding to the extent of their systems by the absorption of smaller undertakings.

About 1872 there was a recrudescence of larger amalgamation proposals, amongst others, the London & North Western and Lancashire & Yorkshire, and the Midland and Glasgow & South Western. The threat of large amalgamations, as always, produced other schemes, and as a result of this renewed activity a further Joint Select Committee was set up to consider the proposed amalgamations, with the result that the two principal Bills were rejected in 1873, and others were withdrawn. By an Act of the same year, the body which later became the Railway and Canal Commission as it now exists was created to administer the Act of 1854, further duties being added under subsequent legislation.

The Committee of 1872, like its predecessors, still sought to preserve competition between the railways, and feared the effect of large amalgamations in creating monopolies, although the whole trend of railway development had been and was still in the direction of consolidation and the increasing use of working agreements, thus practically eliminating competition. Nevertheless, as before, the sole remedy proposed was the temporary expedient of rejecting particular amalgamation schemes, coupled with the recommendation to establish a permanent

tribunal to regulate future amalgamations and to preserve the control of the State. The Railway Commission set up in the succeeding year was not, however, the body suggested by the Committee.

Independent observers, from Robert Stephenson and Samuel Laing onwards, had recognised the natural and inevitable tendency of the railways to unite, and by further amalgamation and absorption to develop into great systems, consolidating their " territory " and eliminating wasteful competition by an ever-growing network of pooling and working agreements. Mr. Houghton, a well-known engineer, suggested, during the amalgamation campaign of 1872, that the railways of Great Britain should be consolidated into four great systems, thus anticipating by half a century the recent amalgamations, although his suggested groups were not the same as those which were formed by the Railways Act.

Later railway history still further illustrated this tendency. As early as 1868 a Bill for the union of the South Eastern, Chatham & Dover and Brighton lines was introduced but failed to pass, and in the event, a period of thirty years of largely wasteful competition between the South Eastern and the Chatham companies had to elapse before these two natural allies were finally brought together in the working union under a joint managing Committee of 1899. The intervening struggle was largely a duel between the personalities of the respective chairmen, Sir Edward Watkin and Mr. J. Staats Forbes. A working union, as we have seen, is not a complete amalgamation, since there is no fusion of capital and direction, but only of plant and operation.

Sir Edward Watkin, a prominent figure in the railway world, comparable in some respects with Hudson of earlier days, was also chairman of the Manchester, Sheffield and Lincolnshire, later the Great Central, and of the

Metropolitan, and his ambition was to unite these two railways and the South Eastern in one continuous system stretching from the North to Dover, there to build the Channel Tunnel, and by this means to send his trains to all parts of the Continent. Differences of loading gauges, so far as they may have existed, would at that time have been much easier to overcome than now. Events, however, turned out otherwise.

After 1873, the pace of consolidation slackened somewhat, since most of the obvious amalgamations had been effected, and others which had been proposed were for the time in abeyance. During this period, however, the larger companies continued to build up their systems by absorption of smaller undertakings subject to their influence, a process in which the Great Western and the London & South Western were especially active on the borders of their respective territories. In 1875, an amalgamation was proposed between the Sheffield company and the North Staffordshire, but the directors failed to agree upon terms, and only a traffic agreement resulted. Two years later, the Sheffield company, under the energetic direction of Sir Edward Watkin, opened negotiations for amalgamation with the Midland and the Great Northern. These negotiations developed into a proposal by the two latter companies for the joint purchase of the Sheffield undertaking, but despite the favourable terms offered, Sir Edward Watkin held out for better, with the result that the negotiations broke down, and eventually the Sheffield company embarked upon its policy of extension to London, sanction for which it only secured, after a protracted struggle, in 1893. The extension was opened in 1899 and the Sheffield became the Great Central Railway. An interesting earlier development of the relations of these three companies had been the formation of the Cheshire Lines Committee, a joint management by the three

companies of a system of local railways centred at Liverpool, to which all three desired access. These and other joint lines were omitted from the grouping laid down in the Railways Act.

These developments in England, and in Scotland the consolidation of their respective systems by the Caledonian and the North British companies, which had previously proposed amalgamation, brings our survey down to the end of the nineteenth century, with the 14 "great" companies, 11 in England and 3 in Scotland, fully developed and in operation practically as they were at the outbreak of war.

Combination in the first decade of this century took the form chiefly of pooling and working agreements. The most important of these agreements were those concluded between the North Western and the Lancashire & Yorkshire companies in 1904, and between the North Western and Midland in 1908. In the following year, a pooling arrangement was also made between all three companies in regard to competitive traffic. Subsequently, the Great Western and the London & South Western also entered into a similar arrangement.

A more interesting development was the Bill promoted in the Parliamentary session of 1909 for the establishment of a working union, following the South Eastern & Chatham precedent, between the Great Northern, Great Eastern and Great Central railways, three of the constituent companies now forming part of the London & North Eastern Railway Company. These three companies had found that their common interests pointed to a closer union than could be founded on a working agreement; hence their application to Parliament. The public interest which this proposal aroused led to the appointment of the last of the Special Committees set up to deal with the question of amalgamation. This was the Departmental

Committee on Railway Agreements and Amalgamations appointed by the Board of Trade in 1909, whose Report was issued in 1911.

During the sittings of this Committee, the Bill for the working union of the three " Greats " was withdrawn, but the companies continued to work together closely on the basis of a co-operative agreement.

In an able review of the development of English railways and their relations to the State, up to 1900, written before the war, Mr. E. Cleveland-Stevens thus summarised the attitude of Parliament towards railway amalgamation:— " Parliament has at times been apprehensive of amalgamation, but has never definitely condemned it. Nor has Parliament laid down any permanent scheme, or discovered any criterion for amalgamation proposals. The three chief enquiries mentioned (1846, 1853, 1872) all advocated some form of permanent railway tribunal, but in each case Parliament failed to carry out their suggestions satisfactorily. Amalgamation has gone on steadily, only receiving marked attention when an exceptionally large scheme has been proposed." To this may be added what may be termed Parliament's obsession with the idea of preserving competition, even long after it became clear that, as successive districts were effectively occupied, the railways' natural tendency was towards co-operative adjustment of rates, and the elimination of competitive services, except perhaps in somewhat " spectacular " developments, such as the competition of the East and West Coast routes in passenger expresses.

By the date of the last enquiry, however, this tendency had become fairly obvious, and the Departmental Committee of 1911 reported that the effects of the very limited degree of competition still existing between the railway companies were not necessarily to the public advantage. They came to the conclusion that both the

railways and the public would gain by properly regulated extension of co-operation rather than by a revival of competition, even were such revival possible.

This was the general intention of the Railway Bill introduced into Parliament in 1912, as well as to carry out certain specific recommendations in the Report of 1911. The measure, however, was withdrawn in December of the same year, and need not therefore be more particularly described.

Thus, up to 1914, despite the passage of many regulative Acts, and the establishment of the Railway and Canal Commission, there had been no legislation generally formulating the policy of Parliament towards combination among railway companies, or laying down the conditions to be observed or the lines to be followed in any future amalgamations. In 1913 the railways had experienced a year of exceptional prosperity, and despite some labour troubles, were, viewed as a whole, functioning with considerable efficiency at the outbreak of the war.

Chapter II.

The Railways During and After the War.

At midnight on August 4th, 1914, the railways were taken over by the Government under the provisions of the Regulation of the Forces Act, 1871. The official announcement made by the War Office stated that

> "An Order in Council has been made under Section 16 of the Regulation of the Forces Act, 1871, declaring that it is expedient that the Government should have control over the railroads in Great Britain. This control will be exercised through an Executive Committee composed of General Managers of railways which has been formed for some time, and has prepared plans with a view to facilitating the working of these provisions of the Act."

Simultaneously, a letter was sent by the War Office to a number of individual companies informing them that their railway, including any railway worked by them, was taken over, and directing them to carry on as usual subject to the instructions of the Railway Executive Committee.

The actual control over the railways during the war was thus exercised on behalf of the Government by the Railway Executive Committee, acting under the nominal chairmanship of the President of the Board of Trade; and a brief statement of its origin may therefore be appropriate.

In 1865, a voluntary organisation was formed under the name of the Engineer and Railway Staff Corps, consisting of the principal executive officers of the leading railways, to study the movement of troops by train and

otherwise prepare for any work that might devolve upon the railways during a state of war. In 1896, the Staff Corps still functioning, a body called the Army Railway Council was constituted, being known from 1903 onwards as the War Railway Council, which had various important duties entrusted to it by the military authorities, including the preparation and constant revision of complete mobilization time-tables, and the study of military transport schemes and problems remitted to them by the naval and military departments.

In November, 1912, at the invitation of the Board of Trade, the leading railways nominated a Railway Executive Committee of general managers to deal with all military questions, and this Committee, the Government intimated, would be entrusted with the actual control of the railways during a state of war. From 1913 until the outbreak of war, the Committee had the assistance of a Communications Board representing both the railways, through the Committee, and all Government departments, including the Admiralty and War Office, whose requirements during war might affect the railways. This Board, which superseded the War Railway Council, was of great service in studying problems and was itself dissolved when the Executive Committee took control in August, 1914.

The Executive Committee in question consisted, at the outbreak of war, of the General Managers of the Caledonian, Great Central, Great Northern, Great Western, London and North Western, Lancashire and Yorkshire, London and South Western, Midland, North Eastern, and South Eastern and Chatham Railways. The Chairman was *ex-officio* the President of the Board of Trade, and the acting Chairman was Sir Herbert Walker, London and South Western Railway.

All the arrangements which had been carefully prepared in the closest detail beforehand were put into operation

immediately mobilization was ordered, and the despatch of the Expeditionary Force was carried out smoothly according to schedule and without delay or difficulty. It is obviously beyond the scope of this work, concerned as it is purely with amalgamation questions, to describe the magnificent work which the railways did during the war. That story has been fully told in other pages, and notably by the late Mr. E. A. Pratt in his last work, *British Railways in the Great War,* published in 1921. But it is relevant to our purpose to note that the experience gained by the railway companies during and after the war in the close co-operative working of the railway system as a whole, under an executive composed of their own officers, must have formed a valuable preparation for the grouping which was to follow, and for the larger railway organisation of the immediate future.

The precise powers and conditions under which Government control was taken and maintained are, however, of importance in relation to the situation which arose after the armistice, and they will accordingly be briefly reviewed in this chapter.

Section 16 of the Regulation of the Forces Act, 1871, dealing with the " Power of Government on the occasion of emergency to take possession of railroads," reads as follows :—

> " When Her Majesty, by Order in Council, declares that an emergency has arisen in which it is expedient for the public service that Her Majesty's Government should have control over the railroads in the United Kingdom, or any of them, the Secretary of State may, by warrant under his hand, empower any person or persons named in such warrant to take possession in the name, or on behalf of Her Majesty, of any railroad in the United Kingdom, and of the plant belonging thereto, or any part thereof, and may take possession of the railroad itself, and to use the same for Her Majesty's service at such times, and in such manner as the Secretary of State may direct ; and the directors, officers and servants of any such railroad shall obey the directions of the Secretary of

State as to the user of such railroad or plant as aforesaid for Her Majesty's service.

" Any warrant granted by the said Secretary of State in pursuance of this section shall remain in force for one week only, but may be renewed from week to week so long as, in the opinion of the said Secretary of State, the emergency continues.

" There shall be paid to any person or body of persons whose railroad or plant may be taken possession of in pursuance of this section, out of moneys to be provided by Parliament, such full compensation for any loss or injury they may have sustained by the exercise of the powers of the Secretary of State under this section, as may be agreed upon between the said Secretary of State and the said person or body of persons, or, in case of difference, may be settled by arbitration in manner provided by ' The Lands Clauses Consolidation Act, 1845.'

" Where any railroad or plant is taken possession of in the name or on behalf of Her Majesty in pursuance of this section, all contracts and engagements between the person or body of persons whose railroad is so taken possession of and the directors, officers and servants of such person or body of persons, or between such person or body of persons and any other persons in relation to the working or maintenance of the railroad, or in relation to the supply or working of the plant of such railroad, which would, if such possession had not been taken, have been enforceable by, or against, the said person or body of persons, shall during the continuance of such possession be enforceable by or against Her Majesty.

" For the purposes of this section ' railroad ' shall include any tramway, whether worked by animal or mechanical power, or partly in one way and partly in the other, and any stations, works or accommodation belonging to or required for the working of such railroad or tramway.

" ' Plant ' shall include any engines, rolling-stock, horses, or other animal or mechanical power, and all things necessary for the proper working of a railroad or tramway which are not included in the word ' railroad.' "

Under the terms of the Act, it will be seen that the warrant of the Secretary of State for War was to remain in force for one week only, subject to renewal, but the Railway Executive Committee was early informed by the Board of Trade that the warrant would be renewed as required, and that this might be assumed to be the case until the contrary was notified.

At the end of 1916, owing to economic and other conditions arising out of the war, control was similarly applied under the Act to Irish railways, and an Irish Railway Executive Committee was formed on the English model.

As will be seen, the Act of 1871 provides for full compensation to be paid to any company whose railway or plant had been taken possession of for any loss or injury sustained by the exercise of the Government's powers, and accordingly, in September, 1914, after negotiation between the Executive Committee and the Board of Trade, an agreement was reached whereby the compensation to be paid should be the sum by which the aggregate net receipts of the railways for the period during which the Government were in possession of them should fall short of the aggregate net receipts for the corresponding period of 1913, subject to a proportionate reduction if the net receipts for the first half of 1914 were less than those for the first half of 1913. By a modification of this agreement in April, 1915, such reduction was no longer to be made, the companies instead paying 35 per cent. of the war bonus granted under the Railway Conciliation Scheme. As the war went on, and money was required by the companies to meet current commitments, a system of payment of compensation by monthly instalments, on the basis of provisional estimates, was introduced.

Later, it was agreed that the companies should be entitled to claim for the cost of arrears of maintenance, repair and renewal work occasioned by the war, and an additional sum, calculated to cover the ultimate cost of this work, was thenceforward included in the monthly instalments.

In November, 1916, a revised agreement was concluded between the companies and the Government which provided *inter alia* for the payment by the latter of interest

at 4 per cent. per annum on capital expenditure, and for the replacement of stores and material used during the period of control, and also further defined the arrangements in regard to Government traffic.

About this time, the question arose as to whether there should be an extension after the war of the period of control, especially during demobilization and resettlement, and the Government decided that control should be continued, on the basis of the guarantee of net receipts, for two years after the conclusion of hostilities. Owing to the limitations of the Act of 1871, however, it was apparent that any such extension would require fresh legislation.

In November, 1917, a Railway Advisory Panel was appointed by the President of the Board of Trade to advise him from time to time on questions affecting the future of the railways. Upon this subject, considerable discussion took place during this period and it became manifest that, in view of the changes which had resulted from the war, especially in the economic basis of the railway industry, it would be impossible for the railways to revert to pre-war conditions.

In August, 1918, the Government resolved to give further consideration to the problems of transport after the war, and to this end it appointed a Select Committee "for the purpose of considering what steps, if any, it is desirable to take to develop and improve the internal facilities for transport within the United Kingdom, to secure effective supervision and co-ordination, and to ensure that such developments and improvements shall be adequate and suitable to meet the national requirements."

In their "preliminary conclusions," presented in November, 1918, the Committee reported :—

(1) That the organisation of the transport agencies of the country—and particularly of the railways—cannot be allowed to return to its pre-war position ;

(2) That the temporary arrangements for the control of railways and canals during the war would not be satisfactory as a permanent settlement;

(3) That unification of the railway system is desirable under suitable safeguards, whether the ownership be in public or private hands.

Any one of the following courses would be consistent with the conclusions stated in the preceding paragraph, but without further evidence your Committee is not in a position to recommend which of these methods should be adopted in the first instance :—

(1) Further amalgamation of railway companies as a step towards unification.

(2) Unification accompanied by private ownership and commercial management.

(3) Unification by means of nationalization followed by :—

(*a*) establishment of a Government Department to manage the railways;

(*b*) constitution of a Board of Management not directly represented in Parliament;

(*c*) leasing of the system to one or more commercial companies.

Thus it will be seen that Parliament had travelled far along the road towards a national conception of the railway system of the country. These conclusions of the Transport Committee of 1918 obviously mark an enormous advance on the tentative proposals of the early committees referred to in the previous chapter, and while no doubt the war and the object-lesson in railway unification which it afforded were largely responsible for the trenchant character of the Committee's conclusions, they nevertheless follow logically upon the pre-war trend of railway development, the Report of the Committee on Amalgamations of 1911, and the experience gained during the period of control. They led directly to the legislative proposals of 1919, which resulted in the establishment of the Ministry of Transport.

From a passage in a speech delivered by Mr. Winston Churchill at Dundee before the General Election of December, 1918, it was thought that the Government had decided upon nationalisation of the railways, although a statement

of policy issued shortly after by Mr. Lloyd George made only a general reference to plans for the improvement of the transportation system of the country.

Early in the next Parliamentary Session, on February 26, 1919, a Bill was brought in by the Government "to establish a Ministry of Ways and Communications." The Bill was placed in charge of the Minister-Designate, Sir Eric Geddes, formerly deputy general manager of the North Eastern Railway, who during the war, after assisting in organising the supply of munitions, became successively Director General of Movements and Railways, Inspector-General of Transportation, and First Lord of the Admiralty. The designation of the new department was subsequently altered to the Ministry of Transport, and to it were to be transferred the powers and duties of any Government department relating to railways, light railways, tramways, canals, waterways and inland navigation; roads, bridges and ferries, and the traffic thereon; harbours, docks and piers; and the supply of electricity. The powers relating to electricity were later withdrawn and vested in the Electricity Commissioners, for whom, however, the Minister of Transport was responsible to Parliament. In addition to the powers and duties affecting transport services transferred from other Government departments, including those of the Board of Trade, Roads Board, Light Railway Commission, and other departments, various new powers were conferred by the Bill upon the Minister, and in particular the possession and control of the railways taken over by the Government under the Regulation of the Forces Act, 1871, were retained in the Ministry of Transport for a further term of two years from the passing of the Act, under the same financial guarantees, with a view to affording time for the consideration and formulation of the policy to be pursued by the Government in regard to the future of the railways.

After considerable amendment in Committee, the Bill finally passed into law on August 15, 1919, and the first Minister of Transport, who was given the same Cabinet status as the Minister of Health or the President of the Board of Trade, proceeded with the organisation of his department. From the hour of its birth until the decontrol of the railways two years later, the passing of the Railways Act, and the resignation from political life of Sir Eric Geddes, the new Ministry certainly experienced its full share of criticism and publicity, due no doubt in large part to the exceptional political and economic conditions of the time, and possibly in some measure to the personality of the Ministry's political chief. It was freely criticised in regard to its organisation and expenditure, and equally for what it did or for what it failed to do, not always with too close regard for its statutory powers and limitations. With the political aspects of the Ministry's work, we are not here concerned, and of its many activities only those are of direct interest to our present subject-matter that led up to the passing of the Railways Act and the amalgamation of the railways. Certain of its special powers, especially those relating to purchase, or to establishment of new undertakings, were not in the event exercised, but much was done in regard to financial control, the inauguration of new statistical returns, and particularly in the revision by the Rates Advisory Committee of tolls, rates, fares and charges. This Committee issued a most important report upon the proposed new rate-fixing machinery afterwards incorporated in Part III of the Railways Act.

The Ministry was active in many other directions during the critical two years of its career, and however the outcome of those activities may be regarded from different points of view, in the experience at least of the present writer, as one of its directors, the department

accomplished some valuable work and constituted probably a necessary stage in the evolution of the attitude of the State towards its transportation services. As such, it may perhaps be broadly judged by the principal result of its labours, the Railways Act of 1921. Although now shorn of most of its original elaborate organisation, the department retains an independent existence, but is unlikely to prove a prominent factor in the future organisation of the transportation system. To this subject we propose to return in the concluding chapter.

The Railway Executive Committee was dissolved at the end of 1919, and was succeeded by a Railway Advisory Committee appointed by the Minister of Transport, consisting of twelve general managers and four representatives of the workers' trade unions. This body, however, was not very frequently consulted. At the same time, a Standing Committee of General Managers was formed at the Railway Clearing House, consisting of the former members of the Executive Committee with one or two additions, to deal with any questions arising out of the Government control.

At the end of June, 1920, after an important debate in Parliament, the Ministry issued a White Paper containing an "Outline of Proposals as to the future Organisation of Transport Undertakings in Great Britain and their relations to the State." As these proposals formed the basis of subsequent negotiations with the railway, trading and labour interests, and eventually were translated, very considerably amended, into the legislative provisions of the Railways Act, it is desirable that they should be fully described.

The foundation of the proposals was the grouping of the railways of Great Britain into seven systems :—

(1) **Southern,** combining the South Eastern & Chatham, Brighton and South Western.

(2) **Western,** the present Great Western system with the Welsh lines.
(3) **North Western,** combining the North Western, Midland, Lancashire & Yorkshire, North Staffordshire and Furness.
(4) **Eastern,** combining the Great Northern, Great Central and Great Eastern.
(5) **North Eastern,** the existing North Eastern system and the Hull & Barnsley.
(6) **London Group** (local lines), and a
(7) **Scottish Group** for the whole of Scotland.

In each case the new group was to absorb the smaller and independent broad gauge lines within its area, but light railways were to be excluded. It was hoped that amalgamation would be carried out voluntarily, but failing agreement, powers were to be exercised to compel amalgamation by a certain date. All direct competition between the groups would, as far as possible, be eliminated. It was recognised that a more logical grouping of existing systems might result if regard were had exclusively either to geographical or to operating considerations, but it was considered that the amalgamation of complete undertakings as the initial step would avoid many of the difficulties which would arise if undertakings had to be divided. It would be open to the new group companies to exchange between themselves lines which projected from the territory of one group into that of another, and it was hinted that at a later stage it might be necessary to require them so to do.

In regard to management, it was proposed that the board of directors should be limited to 21 members for each group, and that while the shareholders' representatives, of whom a proportion must own large holding interests, should form a majority of the board, the other members should be elected by the employees, one-third being administrative officials and two-thirds members elected from and by the manual workers.

The rate-fixing machinery would be incorporated in the Bill, and was based upon the report of the Rates Advisory

Committee which the Government was then awaiting. While no guarantee would be given, the financial basis would be such as to enable the companies, with efficient and economical management, to earn a net revenue substantially equivalent, on a prescribed pre-war basis, to the combined net revenue of all the companies absorbed in a group. Amalgamation economies should in time enable this to be improved upon, when the State would be entitled to a proportion of the surplus, in accordance with a sliding scale. The Government's share would be funded for development purposes, to assist backward districts, to develop light railways, and for other appropriate objects.

Permanent machinery for dealing with questions of railway wages and working conditions, on the basis of the temporary central and national wages boards, would also be incorporated in the Bill.

Powers were also to be conferred upon the State (*a*) for the protection of the public (*b*) for the economical working of the railways, and (*c*) to safeguard national interests. These included the right to require adequate services and facilities and necessary improvements, the power to impose measures of standardisation, to require co-operative working, common user of rolling-stock, and the pooling of traffic and receipts, and to prescribe the form of accounts and statistics to be returned. The railways were also to submit for approval proposals involving capital expenditure, and their proposed reserves for depreciation and renewals, before the issue of dividends. Certain of these powers of the State were subject to the right of the railway companies to appeal to a tribunal.

The memorandum also dealt briefly with light railways, docks and canals, and concluded by stating that these proposals, while indicating the main features of the Government's policy, were not exhaustive. Although the Government was stated to be opposed to the principle

of nationalisation, it will be seen that the proposals contained in their memorandum, if translated into legislation, would in fact give the State an extensive measure of control over the largely unified railway system of the country.

The proposals, when published, were subjected to considerable hostile criticism by the Railway Companies' Association, and by the Chambers of Commerce and other trading interests. While grouping was agreed to in principle, objection was taken to the representation of the workers in the management, to the Development Fund, to the permanent establishment of the wages boards, and to the further powers to be conferred on the State in relation to railways. In Scotland, objection was also raised to the proposed segregation of the Scottish railways in one group apart from the English companies, in view of the former's weaker financial position. The Railway Companies' Association proposed an alternative scheme of grouping, which was practically that ultimately adopted in the Railways Act.

The interval between the issue of the White Paper at the end of June, 1920, and the introduction of the Railways Bill on May 11, 1921, was utilised in protracted discussions and negotiations between the Government and the railway companies, trading interests and railway trades' unions, with the result that a large measure of agreement was reached between the various interests concerned before the actual introduction of the Bill. During that period, moreover, two important reports had been issued, which largely affected the issue. One was the report of the Rates Advisory Committee on the rate-fixing machinery, which enabled elaborate provisions to be inserted in the Bill with the general approval of the railway companies and the trading community. The other was the report of the Colwyn Committee on the railway agreements.

During the debate on the Ministry of Transport estimates which preceded the issue of the White Paper, these agreements, which we have already briefly described, were subjected to severe criticism by Sir Eric Geddes, and on September 24, 1920, a Departmental Committee was appointed, under the Chairmanship of Lord Colwyn, to inquire into and report upon—

(1) The nature and terms of the agreements made between the Government and the railway companies relating to the possession by the Government of the undertakings of the companies.

(2) The possible extent of the outstanding liabilities of the State thereunder, according to the interpretations which may be placed on such agreements.

(3) Whether, with due regard to costs, any further steps should be taken to secure that the interests of the State in reference to such agreements are adequately safeguarded.

The Colwyn Committee estimated that the claims of the companies might reach the total sum of £150,000,000, and in their report, issued early in 1921, made various detailed recommendations as to the interpretation of the agreements. When, however, on May 3, 1921, the report was to be discussed in Parliament, the Minister of Transport was able to announce that the Government and the railway companies had arrived at an agreement in regard to the outstanding claims of the companies, on the basis of the payment of a sum of £60,000,000 in final settlement of all compensation, and that this agreement would be embodied in the Railways Bill.

A few days later, as stated, the Bill was duly introduced, and in a memorandum which accompanied it, the Government explained the result of the negotiations which had taken place since the issue of the White Paper. The memorandum states :—

" The present Bill sweeps up masses of legislation which have accumulated in the years since railways were first sanctioned by

Parliament, and it is believed that the relation of the State, the railway companies and the users, will be much simplified.

"The provisions of the measure will enable the railway companies to bring about economies long desired by the directors and management—will assure to the users reasonable facilities at reasonable rates, and will, by the provision of adequate cost and operating statistics, enable the proprietors to familiarise themselves with the management of their property, will give users and the Government an insight into the need for the charges they are asked to pay for the services rendered, and will give shareholder, employee and community accurate data upon which sound opinion may be formed as to the adequacy of the return on capital or remuneration of labour."

The memorandum then proceeds to explain the principal provisions of the measure, and the extent to which the proposals of the White Paper had been modified in the intervening negotiations.

The grouping proposed in the White Paper was amended in the following respects :—

(1) The North Eastern and Hull and Barnsley railways, instead of forming a separate group, were to be combined with the Eastern Group.

(2) The Scottish railways, instead of forming a single group, were to be divided into Eastern and Western Groups.

(3) The London local lines were left outside the grouping scheme, to be dealt with by separate legislation later as part of the London traffic problem.

There were thus to be six groups: (1) Southern, (2) Western, (3) North Western and Midland, (4) North Eastern and Eastern, (5) West Scottish, and (6) East Scottish Groups. This grouping, however, might be varied.

The proposal for the representation of the workers on the boards of management was dropped, it having transpired, in the course of negotiations with the trade unions, that the latter considered that such representation under commercial conditions would probably place them in a false position. At any rate, they did not desire it, and instead had reached an agreement, both with the Govern-

ment and with the Railway Companies, in regard to wages and conditions of service, which was given effect to in Part IV of the Bill. The Development Fund was also abandoned, and the powers proposed to be conferred on the State were very greatly modified.

The Bill thus introduced on May 11, 1921, was divided between two Standing Committees of the House with a view to facilitate progress, and was considerably criticised and further amended in Committee, the principal effect of which, as regards amalgamation, was to attach the East and West Scottish groups longitudinally to the corresponding English groups, thus reducing the groups to four. The Bill passed its third reading in the Commons on August 9, 1921, was passed in the Lords on August 18, and received the Royal Assent on August 19, 1921. The Act as placed on the Statute book will be described in the next chapter.

Meanwhile, the Government control of the railways ended at midnight on August 15, 1921, over seven years after possession had nominally been taken on the outbreak of war.

Chapter III.

The Railways Act, 1921.

The Railways Act of 1921 will probably prove in the event to be the most constructive measure of domestic legislation placed on the Statute book during the post-war period. The Government of Ireland Act falls in another category. Whether we regard its immediate effects on the transportation system of Great Britain, in the structure and character of which a veritable revolution is being wrought, or whether we look to the future, this Act marks a decisive turning point in the relations of the railways and the State. The long period of physical growth and development, competition and consolidation, accompanied or rather followed somewhat tentatively by parliamentary regulation and inquiry, stretching from the introduction of railways up to 1914, as briefly traced in our first chapter, is definitely brought to a close, and an entirely new regime is inaugurated, from which undoubtedly important results will flow, both in regard to the railways and to national industry and the community at large. Although it is not suggested that new railway construction has come to an end, future development will probably be mainly of a different character, while as regards further amalgamation, the only step remaining to take is towards complete unification.

As originally projected, the Railways Bill contemplated even more drastic and far-reaching changes than the Act accomplishes, but in the form in which it reached the

Statute book, the Act represents a large measure of agreement between the Government and the railways, the trading community and the trades unions respectively. It is a comprehensive measure, containing 86 sections and nine schedules, and is divided into six parts, namely :—

Part I.—Reorganisation of railway system.
Part II.—Regulation of railways.
Part III.—Railway charges.
Part IV.—Wages and conditions of service.
Part V.—Light railways.
Part VI.—General.

The first two Parts, as directly concerning the subject-matter of this work, are reproduced in the appendices, and need only therefore be briefly referred to here. Part I provided for the grouping of the railways in four groups, consisting of the following " constituent " companies :—

(1) **The Southern Group.**—London and South Western, London, Brighton and South Coast, South Eastern, London, Chatham and Dover, and South Eastern and Chatham Managing Committee.

(2) **The Western Group.**—Great Western, Barry, Cambrian, Cardiff, Rhymney, Taff Vale, and the Alexandra (Newport and South Wales) Docks and Railway Company.

(3) **The North Western, Midland and West Scottish Group.**—London and North Western, Midland, Lancashire and Yorkshire, North Staffordshire, Furness, Caledonian, Glasgow and South Western, and Highland companies.

(4) **The North Eastern, Eastern and East Scottish Group.**—North Eastern, Great Central, Great Eastern, Great Northern, Hull and Barnsley, North British, and Great North of Scotland companies.

The four amalgamated companies thus formed were each to absorb a number of " subsidiary " companies in their respective areas, the full list being given in the First Schedule to the Act, which is reprinted in the appendices. There are 14 subsidiary companies in the first group, 26 in the second, 27 in the third, and 26 in the fourth ; the total number of companies, constituent and subsidiary, dealt with by the Act being 120. Regulations were laid down

for the preparation and settlement of amalgamation and absorption schemes, for the constitution and procedure of the Amalgamation Tribunal, for the reorganisation of the Railway Clearing House, and various supplementary matters. This Part also dealt with the composition of claims and the allocation of compensation in respect of Government possession of the railways. The total sum to be awarded was £60,000,000, and this was to be distributed in instalments by the Amalgamation Tribunal as laid down in the Act. The allocation of this compensation will be dealt with in a succeeding chapter.

Part II of the Act, " Regulation of Railways," as will be seen from the text in the appendix, confers various powers upon the Minister of Transport and the Railway and Canal Commission to make orders as to the working of railway services and provision of facilities, to require railways to conform to measures of standardisation of ways, plant and equipment (including electrical operation), to adopt schemes for co-operative working or common user of rolling stock, workshop, plant and other facilities, to make orders for the acquisition of land, and to confirm agreements for the purchase, lease or working of railways. The concluding section in this Part prohibits the amalgamated companies from entering into any agreement for the allocation of traffic or pooling of receipts or for effecting any combination which would contravene the purpose of the Act, save an agreement as between two or more amalgamated companies for the joint working of a subsidiary undertaking. This provision clearly limits further combination between the four amalgamated companies except with the knowledge and under the control of the Minister of Transport, and therefore of Parliament, although it does not of course prevent them from acting together or adopting a common policy without entering into a formal agreement. Indeed, as will be seen, apart

from the force of circumstances or the dictates of policy, the whole trend of Parts III and IV of the Act will compel the amalgamated companies to act together even more in the future than the constituent companies, through the Clearing House conference and committees, did for many purposes in the past.

The remaining divisions of the Act, especially Parts III and IV, which have an important bearing on the future of amalgamation, must now be described, since they are not reproduced here, in some detail. Part III, dealing with railway charges, contains 41 sections. It provides for the appointment, functions and procedure of the new permanent charging body, the Railway Rates Tribunal, for the transfer of certain powers of the Railway and Canal Commission, the classification of merchandise, the compilation and revision of schedules of standard charges, provisions with regard to exceptional rates and conditions of carriage, and especially important provisions for the adjustment of charges to revenue. Charging powers under the Act become much more flexible and scientific than was previously the case, since not only must they bear a constant relation to net revenue, but the new machinery gives greater facilities for the reduction of rates, in that subsequent increases, if necessitated, are not prohibited, whereas under the old procedure a rate once fixed became in effect a maximum rate.

The Rates Tribunal set up by the Act consists of three permanent members, with power to add to their number, of whom one must be a person of experience in commercial affairs, one of experience in railway business, and one, the president, an experienced lawyer. The first president was Sir Francis Gore Browne, K.C., on whose untimely death, Mr. W. B. Clode, K.C., was appointed president: the other members are Mr. W. A. Jepson and Mr. G. C. Locket. Two advisory panels were also appointed, a

general panel and a railway panel, to assist the Tribunal in its deliberations.

The functions of the Rates Tribunal, in addition to the powers specifically conferred upon them by the Act, are defined as follows:—

(*a*) The alteration of the classification of merchandise, or the alteration of the classification of any article, or the classification of any article not at the time classified, or any question as to the class in which any article is classified ;
(*b*) The variation or cancellation of through rates ;
(*c*) The institution of new, and the continuance, modification, or cancellation of existing group rates ;
(*d*) The variation of any toll payable by a trader ;
(*e*) The amount to be allowed for any terminal services not performed at a station, or for accommodation and services in connection with a private siding not provided or performed at that siding ;
(*f*) The reasonableness or otherwise of any charge made by a railway company for any services or accommodation for which no authorised charge is applicable ;
(*g*) The reasonableness, or otherwise, of any conditions as to packing of articles specially liable to damage in transit or liable to cause damage to other merchandise ;
(*h*) The articles and things that may be conveyed as passengers' luggage ;
(*i*) The constitution of local joint committees and their functions and the centres at which they are to be established.

The classification of merchandise was to be carried out in the first instance by the Rates Advisory Committee, whose work would then be completed. The whole of this part of the Act is indeed based on the report and recommendations of this Committee, already referred to, on the General Revision of Railway Rates and Charges. Schedules of standard charges based on this classification are then to be submitted by the companies to the Rates Tribunal, and these, after due consideration and the hearing of all objections, are to come into operation on an appointed day. The schedules have now been submitted, but it seems unlikely that the proceedings of the Tribunal

upon these schedules, and their detailed examination and criticism by all the parties concerned, will be completed much before the end of 1924 and the appointed day for their operation will therefore probably be the 1st of January, 1925. From that day all existing provisions and agreements will be repealed.

Subsequent modifications or revision of these standard charges may be made from time to time on the application of a railway company or any representative body or person entitled to be heard. Provision is also made for the fixing of exceptional rates and fares, with power to the Rates Tribunal to revise, vary or cancel such rates where necessary in the public interests. Detailed instructions are given in the Act governing the procedure in these cases. The conditions of carriage, both "company's risk" and "owner's risk," are to be settled by the Tribunal, and various miscellaneous provisions as to charges are then made, especially in regard to "through" rates and fares, and charges for competitive traffic.

The most important sections of this part of the Act are those (Sections 58 and 59) dealing with the adjustment of charges to revenue. Here it is enacted that the charges to be fixed in the first instance for each amalgamated company are to be such as, together with other sources of revenue, will, in the opinion of the Rates Tribunal, so far as practicable yield, *with efficient and economical working and management*, an annual net revenue equivalent to the aggregate net revenues in 1913 of the constituent and subsidiary companies comprised in the amalgamations. Elaborate instructions are given for the annual review of these charges, and it is provided that, if the Tribunal should find, on any such review, that the standard charges and exceptional rates are yielding a net revenue in excess of the standard revenue, they may modify them so as to effect a reduction of the net revenue of the company in subsequent

years by an amount equivalent to 80 per cent. of such excess. The benefit of this 80 per cent. of the " wages of efficiency " is thus passed on to the trading and travelling community, while the balance of 20 per cent. accrues to the company. The standard revenue plus this 20 per cent. then becomes the " increased standard " for the purpose of future annual reviews, and if by further efficiency, economy, or increased traffic, a surplus is still earned, the same procedure is applied, 80 per cent. of the surplus to the public, 20 per cent. to the company, thus providing a constant stimulus to the railways, and to the traders to co-operate with them. Various transitory provisions close this part of the Act.

Part IV of the Act deals with wages and conditions of service, and embodies the results of an agreement arrived at between the railway trade unions, the companies and the Government. This gave permanent form and sanction to the conciliation machinery which had been devised during the war, with certain modifications and additions. Commencing from the date of decontrol and until otherwise determined by twelve months' notice on either side, all questions relating to rates of pay, hours of duty or other conditions of service of all employees in what are known as the " conciliation grades " must, in default of agreement between the companies and the trade unions, be referred to the Central Wages Board, or on appeal to the National Wages Board, as reconstituted under the Act. The Central Wages Board is composed of eight representatives of the railway companies and eight representatives of the employees, four of the latter being appointed by the National Union of Railwaymen, two by the Associated Society of Locomotive Engineers and Firemen, and two by the Railway Clerks' Association. The appellate body, the National Wages Board, is composed of six representatives of the companies, six of the employees (two each appointed by the three trade unions above mentioned), and four

representatives of the users of railways, nominated respectively by the Parliamentary Committee of the Trades Union Congress, the Co-operative Union, the Associated Chambers of Commerce and the Federation of British Industries, with an independent chairman appointed by the Minister of Labour. Wage adjustments are made periodically on a sliding scale operating in accordance with the cost of living index figure, but the very meagre wage paid before the war to the lowest grades of railway labour, such as porters and cleaners, can never be restored, since manual workers are now protected by the national standard rate, or post-war minimum, which is approximately double that of 1914.

In addition to the Wages Boards, an elaborate framework of joint central and local councils, representing both officers and men, is set up under the Act for each railway, the constitution and functions of these Councils being defined in conference by the general managers and trade-union representatives. Schemes for the formation of these Councils have now been satisfactorily worked out, and they are commencing to function on the grouped railways. The development of this machinery will be a valuable experience for both sides in the co-operation of labour and management. Finally, conferences between the managers and railway police representatives have settled the rates of pay, hours of duty, and conditions of service of this force, as provided by the Act.*

Under Part V of the Act, the powers previously exercised by the Light Railway Commissioners are transferred to the Ministry of Transport, and certain provisions are made for the simplification of the financial and other procedure.

The last Part of the Act deals with a variety of matters,

* A detailed description of the scheme of railway councils set up under the Act will be found in the *Railway Gazette* for January 27, 1922.

of which perhaps the most important are the requirements in regard to new forms of accounts, returns and statistics to be prepared by the railway companies. Certain of these, especially the ton-mile statistics, were introduced by the Ministry of Transport and published monthly during the period of control, and the new forms are now standardised by agreement under the Act. They certainly mark an advance on pre-war practice, and carefully applied, will enable valuable comparisons and deductions to be drawn in regard to the efficiency of many railway operations.

Appended to the Act are nine schedules, dealing in detail with various matters referred to in the body of the measure. With these appendices, the Act occupies 90 pages of print. We are, however, here concerned principally with its provisions in regard to amalgamation, and in the next chapter, the work of the Amalgamation Tribunal will be reviewed in detail.

Chapter IV.

Constitution and Work of the Railways Amalgamation Tribunal: Agreed Schemes.

Although the Railways Act in its final form represented a large measure of agreement in Parliament, there were not wanting, either within or without the House, severe critics of its main provisions, especially in regard to compulsory amalgamation. The Labour Party had not opposed its passage, accepting the measure as a step in the direction of nationalisation. The Minister of Transport, himself a railwayman, was assisted in the drafting of the Bill by officers of the Ministry who were also railway experts, notably the Secretary and Solicitor, Sir Francis Dunnell, who occupied a similar position on the North Eastern Railway and was lent to the Government on the formation of the Ministry, returning to the company's service after the passing of the Act. Many of its provisions had been the subject of negotiations with the railway companies both before its introduction and during its passage through the Committee stage. Nevertheless, on its becoming law, some prominent railway directors and other critics were not slow to declare the Act to be a further example of "bureaucratic" legislation, divorcing actual power from financial responsibility, and whilst restoring the "form" of private ownership, retaining the "substance" of directive control in the hands of the State.

These criticisms were answered by railway officers who

were prepared to work the measure, but the attitude towards the compulsory provisions for amalgamation was at first far from cordial, and at the beginning of 1922, a movement was initiated (but came to nothing) for amending the Act in the direction of extending the time for amalgamation by several years, and omitting the element of compulsion altogether.

In determining how the scheme of the Act would be translated into practice, therefore, much depended upon the general development of the railway situation at the end of 1921 and the earlier part of 1922, and also upon the manner in which the Amalgamation Tribunal approached its task.

Despite the heavy drain upon their resources throughout the war, extending even to physical transfer of permanent way to France, the British railways had come out of the struggle in a much better position than those of any other country involved, not excepting the United States. A great deal of their rolling stock, however, was still scattered over Europe at the Armistice, and was only slowly collected and returned; and the arrears of maintenance, renewal and repair work were naturally heavy. But considerable progress had been made up to the date of decontrol, and the railways were then, on the whole, in a very satisfactory position. The managements, however, were confronted with a variety of pressing tasks. The restoration of normal services and facilities, and reductions in rates and fares, were being demanded by the trading and travelling public, the coal strike seriously affected the situation, and apart from labour questions, the companies were pre-occupied with the extensive revision of schedules of classification laid upon them under the Act, with schemes of electrification and other questions; and all these matters had, of course, to be pursued in an "atmosphere of transition" engendered by the knowledge that the railways

of the Kingdom were, from the financial and administrative points of view, in the melting pot of amalgamation and absorption.

As regards the Amalgamation Tribunal, the very unusual course had been taken of including the names of the Commissioners in the Railways Act, probably for the reason that, in view of their reputation and especial fitness for the task, their specific appointment by the statute would inspire with confidence the railway companies and other interests concerned in the amalgamations to be carried out. The President was Sir Henry Babington Smith, G.B.E., who had had a distinguished public career. was at one time secretary of the Post Office and British representative on the Ottoman Debt Commission, and was then deputy governor of the British Trade Corporation and a director of the Bank of England. The other Commissioners were Sir William Plender, G.B.E. (now a baronet), the eminent chartered accountant, who had carried out many important public duties and was well-known to the railway companies ; and Mr. G. J. Talbot, K.C., the leader of the Parliamentary Bar, with wide experience of railway cases. The Tribunal, on undertaking their task, were fortunate in securing the expert services of Sir Henry Allan Steward, who for many years had been a member and latterly acted as Chairman of the Light Railway Commission.

The work of the Tribunal falls naturally into two unequal parts, the allocation of the Government compensation money and the amalgamation of the railways, and the latter may again be subdivided into agreed schemes and settled schemes. Actually the distribution of the compensation fund proceeded simultaneously with the amalgamation work, but it will be convenient for our purpose to deal with this subject in a separate chapter. The division of the amalgamation work into agreed and

settled schemes is one of time, and follows technically from the provisions of the Act, which laid it down that if any constituent company was not amalgamated or subsidiary company absorbed on or before the 1st January, 1923, by agreement, an amalgamation or absorption scheme was to be prepared and settled by the Amalgamation Tribunal.

The date prescribed in the Act for the coming into operation of all amalgamation and absorption schemes was the 1st July, 1923, " or such earlier or later date as the Amalgamation Tribunal, after consultation with the Minister " of Transport, might fix. As the Tribunal did not commence its work until late in November, 1921, the railway companies had just over eighteen months in which to reduce their number, by amalgamation and absorption, from 120 to four. The greater part of this task was in fact achieved well within the prescribed period : indeed, the four great companies, although not completely constituted, were actually operating as such from the beginning of 1923.

From the outset, the Tribunal resolved to keep its procedure as simple as possible, not to issue, as it was empowered to do, a code of rules, which might give rise to unnecessary delay, and to be at all times accessible, through its officers, for consultation by all parties, in order that progress might be facilitated in every possible way. The procedure laid down in the Act was in any case a vast improvement upon, and simplification of, the procedure by private Bill in Parliament hitherto imposed upon railway companies desiring to amalgamate.

Agreed Schemes.

When the Tribunal took up its duties, the first amalgamation scheme submitted for its consideration was one for combining the London & North Western and the

Lancashire & Yorkshire railway companies. This fusion had been more than once proposed before the war, and the scheme placed before the Tribunal followed closely upon the lines of the proposed private Bill legislation. The two companies had been working in close co-operation for some time, and the terms of fusion offered no difficulty. As the companies desired the amalgamation to take effect from the 1st January, 1922, they asked for approval of the scheme before the end of the year. Actually the first public sitting of the Tribunal on the 13th December, 1921, was occupied by the allocation of £24,500,000 of the Government compensation money, to be dealt with later, but the Tribunal fixed the 20th December to consider the amalgamation scheme.

The provisions enabling the Tribunal to approve preliminary amalgamation or absorption schemes submitted by agreement between the parties are contained in Section 8 of the Act (see Appendix I). It is believed that these provisions were inserted in the Act after the main procedure for amalgamation and absorption had been settled, in order to enable interim progress to be made where possible, while the larger or final schemes were being negotiated. As it turned out, these supplementary provisions were of the greatest utility, and enabled a number of schemes to go forward for approval as agreement was reached, instead of being held up until the end of 1922 or later, and so possibly creating a difficult situation. Furthermore, since no limiting date was specified in Section 8 as in Sections 2 and 4, it was found possible to deal with preliminary agreed schemes after the 1st January, 1923, where an amalgamated company had not been constituted for the group.

The London & North Western and Lancashire & Yorkshire amalgamation scheme was duly considered by the Tribunal at a public sitting on the 20th December,

1921, and was approved the same day. As this is the first amalgamation scheme sanctioned under the Act, the scheme is reproduced in full in Appendix III. The prompt passage of this scheme provided the first object lesson in the simplicity of the new procedure. As against all the trouble, expense and delay attendant upon the promotion of a private Bill in Parliament, especially onerous and difficult in the case of railway amalgamation proposals before the war, and liable at the end to rejection, a scheme between the parties had only to be submitted to a court (as it were), of summary jurisdiction, sitting without any elaborate procedure, compliance with the requirements of the Act proved, and any valid objections or amendments attended to there and then, and the scheme could be approved forthwith. Moreover, by the mere endorsement on the scheme of the approval of the Tribunal under seal, the scheme became the Special Act constituting the new company, and no further sanction or legislative formality was necessary. Section 7 of the Act declares that "a scheme under . . . . this Act, shall, when confirmed or settled by the Amalgamation Tribunal, be binding on all persons and have effect as if enacted in this Act," and it further declares that no stamp duty shall be payable in respect of any amalgamation or absorption scheme.

By this preliminary amalgamation, the two companies were dissolved and a new company was formed as from January 1, 1922, with a capital of nearly £189,000,000 and a total single-track mileage of over 8,000 miles. In the process, however, the historic name of the Lancashire & Yorkshire disappeared, the new company taking the name of the senior partner. As we shall see later, the same fate has now overtaken the premier British railway, whose name is lost in that hybrid and somewhat cumbrous product, the London Midland & Scottish Railway,

which, however, preserves, perhaps as a reward for initial brevity, the name of its former great rival.

An interesting question of law arose at the hearing. The scheme as originally submitted proposed to authorise the new company to raise, create and issue such additional stock and loan capital as might be required for the purpose of carrying out subsequent absorption schemes, the promoters being doubtful whether the Railways Act itself gave the necessary power. The Railway Companies' Association opposed this provision, as raising an unnecessary doubt, which would affect all the other railway companies, and the Tribunal decided on consideration that its inclusion was neither necessary nor expedient. The clause was accordingly struck out of the scheme, and there has been no difficulty with subsequent schemes, each quite properly carrying its own necessary capital powers.

The Federation of British Industries and other trading associations also sought to raise on this scheme the question of continuous mileage rates on the new combined system, but the Tribunal decided that it was not within their competence to require the insertion in an amalgamation scheme of provisions as to rates and charges, which are otherwise dealt with in the Act. All such questions in fact fall within the province of the Rates Tribunal.

At this hearing also, a first appearance was made by the Railway Clerks' Association, who constituted themselves the guardians of the rights of the staff, where they deemed these might be affected by amalgamation or absorption, especially in regard to the preservation of superannuation rights, and the Association was represented on these matters at almost every subsequent sitting of the Tribunal.

A satisfactory beginning had thus been made at the opening of 1922, and although early in the year several

directors protested that the time was all too short, and that it should be greatly extended or compulsion abolished, negotiations were steadily going forward in several quarters, especially in the Western group.

The Great Western Railway Company had been placed in a somewhat privileged position under the Act, for by Section 3 (2) the Great Western was to retain its name and identity, and although six other constituent companies (all Welsh lines) were named in the First Schedule, these were to be amalgamated *with* the Great Western, without any dissolution of the latter company. Virtually, although not in name, the other constituent companies were to be absorbed by the Great Western, the difference between them and the subsidiary companies in the Western group being one rather of degree than of kind, except that they were each allowed to elect a director to the new Great Western board. It is true that in this group, unlike the others, the Great Western was easily the predominant partner, none of the other constituent companies being strictly comparable with it in size or importance.

By March, 1922, the negotiations in this group had sufficiently advanced to allow a preliminary amalgamation scheme to be submitted to the Tribunal. The procedure in regard to agreed schemes required that the terms for exchange of stocks should be approved by general meetings of the companies concerned before the scheme was submitted to the Minister of Transport for reference to the Tribunal. The scheme had then to be placed on sale by public notice, and could not be confirmed until the expiration of three weeks from the date of the notice in order to give time for any objections to be formulated and considered. Five of the six other constituent companies had thus agreed terms with the Great Western, but the Barry Company stood out, and the first preliminary scheme in this group therefore provided for the amalgamation with

the Great Western Company of the Cambrian, Cardiff, Rhymney, Taff Vale, and Alexandra (Newport & South Wales) Companies.

The scheme was considered by the Tribunal at a public sitting held on March 20, and went through without difficulty and practically without opposition. At the hearing, it was stated that terms had since been agreed with the Barry Company, but these could not be ratified in time for inclusion in this scheme. The amalgamation was approved, to date from March 25, 1922. Practically, therefore, the Great Western had got the whole of its new main system working as one from that date, and steady progress was being made with negotiations for the absorption of subsidiary companies in the area. Thus the Great Western was able to make an early start on the new basis as compared with the other groups, nor did its organisation require much modification in order to include the Welsh lines. The five Welsh companies each elected one director to the Great Western board, and in this case a total sum of £54,500 was required as compensation to the displaced directors. The actual " date of vesting " of the scheme was carried back to January 1, 1922, the Welsh companies being deemed to have acted as the agents of the Great Western in the interim.

The Great Western immediately proceeded with the preparation of the further amalgamation scheme to include the Barry railway and docks, and although another scheme had to be disposed of before this could be considered by the Tribunal, it will be convenient to deal with the Barry scheme here. A point of great legal interest arose at this stage. The Barry was the only remaining constituent company in the Western group, and its incorporation in the Great Western system would in fact complete the process of amalgamation in this group, although the absorption of the numerous subsidiary companies had still

to be effected. The date prescribed for the coming into operation of amalgamation schemes was July 1, 1923, and although the Tribunal could fix an earlier date in their discretion, this was in view of all the circumstances clearly too early, nor did the Great Western desire final amalgamation at this stage. After informal discussions, it was agreed to allow the scheme to come forward as a further preliminary amalgamation, subject to the legal arguments, and a great deal of forensic ingenuity was expended at the sitting in interpreting the Act to fit the unusual circumstances. The Tribunal finally decided that, although the point appeared to be doubtful, they were prepared to accept this as a preliminary amalgamation, leaving the promoters to bring forward a final amalgamation scheme, providing for the group directorate, and other matters, when all the absorptions had been completed. But for this decision, the Barry amalgamation must have been held up for some time, and it was agreed that, whatever the merits of the legal question, it was expedient, in view of the railway and other interests involved, that the amalgamation should proceed. The Tribunal adopted the practical course.

The final amalgamation scheme, which was eventually settled by the Tribunal, proved a very brief document, and as the Barry scheme virtually effected the amalgamation, it is reprinted, together with the final scheme, in the appendix. The total mileage of single track represented by this amalgamation was about 8,160 miles, and the aggregate nominal capital £135,000,000. One Barry director was added to the Great Western board, and the sum of £13,000 was allocated out of the Barry assets as compensation to those who had suffered loss by abolition of office.

For convenience of reference, the financial terms upon which all amalgamations and absorptions under the Act

were effected are given together in Appendix IV, in a form in which they can be readily compared. The reader is therefore referred to these schedules for details of the fusions of capital represented by the schemes described in these pages.

By standing out at first, the Barry directors apparently secured better terms for their stockholders than had been obtained by the other Welsh companies, and certainly in view of the respective market values of the stocks, the terms were generous, although the Barry Company had put forward in justification the exceptional potentialities of their undertaking, especially as a part of the new Great Western system. The Railway Clerks' Association took exception to the terms on the ground that any tendency to over-capitalisation would inevitably react on wages, but the company pointed out that wages were paid out of gross receipts while dividends were paid out of net receipts, and the Tribunal decided that the objection was not one which they were required or entitled to consider in any agreed scheme. The Great Western at the same time brought forward their first absorption scheme, providing for the absorption as from the 1st January, 1922, of the Cleobury Mortimer and Ditton Priors Light Railway, the Penarth Harbour dock and railway, the Port Talbot railway and docks, the Princetown (Dartmoor) line and the Swansea Bay railway, all short lines or dock undertakings; and this scheme was duly approved by the Tribunal.

Before the Barry scheme was decided, the North Eastern Railway had come before the Tribunal with a preliminary amalgamation scheme for their company and the Hull and Barnsley railway. By this scheme, under the ægis of the Railways Act, was brought to an end a long period of distrust entertained by the people of Hull for the North Eastern Railway, an attitude which led to the inception of the Hull and Barnsley railway as a separate

undertaking, and which was maintained up to and during the passage of the Railways Bill in Parliament. These interests were now reconciled and the scheme met with no opposition. The Hull Dock Joint Committee, which had acted as a link between the two undertakings, was absorbed in the new company, which came into existence on April 1st, 1922. Like other preliminary amalgamations, it was destined to have a short existence, being swallowed up in turn by the amalgamated company for the group. The preliminary amalgamation, however, represented a capital of about £90,000,000 and a total length of single track of nearly 5,370 miles.

The next scheme to receive the approval of the Tribunal was a further batch of absorptions by the Great Western, comprising the Brecon and Merthyr Tydfil Junction, the Burry Port and Gwendreath Valley, the Lampeter, Aberayron and New Quay Light, the Neath and Brecon, the Ross and Monmouth, the Vale of Glamorgan, the West Somerset, and the Wrexham and Ellesmere railway companies. This scheme was dated the 24th July, and vested these small Welsh and Somerset undertakings as from the beginning of the year. Being drawn on the lines of the first absorption scheme, it raised no issues of special interest, although many minor points had to be dealt with before these schemes reached the final stage, and as the Tribunal and the railway companies acquired experience, drafting improvements were effected.

The Great Western was perhaps especially fortunate, but on the whole the amalgamation machinery was running with unexpected smoothness, contributed to in some measure no doubt by the successful allocation of the compensation fund, which was also at this time engaging the attention of the Tribunal and of the Railway Companies' Association. Although no further schemes were actually completed until late in the year, negotiations

were steadily proceeding in the other three groups, the most backward being perhaps the Southern, where there were differences as to electrification systems and probably other domestic difficulties. A reported agreement between the North Western and the Midland, which received some publicity in March, proved premature, but was undoubtedly symptomatic, as later events showed, of the progress which was being made and the practical spirit which prevailed.

These efforts bore fruit at the end of July in the announcement that agreement had been reached between all the constituent companies remaining in the North Eastern, Eastern and East Scottish group as to the terms of amalgamation. This was indeed a notable achievement. The Hull and Barnsley having been absorbed by the North Eastern, the companies concerned were the new North Eastern, the Great Central, Great Eastern, and Great Northern, and the two Scottish companies, the North British and the Great North of Scotland. The three English "Greats" had, as we have seen, proposed a working union before the war, and failing to get Parliamentary sanction, had continued to work in close agreement. But the group which, in the first draft of the Railways Act was to comprise only these three companies, had been enlarged, and the admission of the North Eastern and the East Scottish companies altered the proportions of the problem and increased its complexity. The dominant partner was now the North Eastern, which took the lead in the negotiations, and these, although protracted, especially by the attitude of the Great Northern (represented by Sir Frederick Banbury, who had consistently opposed the Railways Act) at last resulted in a successful issue.

The financial terms, reproduced in Appendix IV, are of especial interest to the student of railway stocks. The

difficulty of equating the varying financial strength of the different members of the group was solved by grading the stocks in the new company. As will be seen, there are a first and second guaranteed stock, a first and second preference stock, and the ordinary stock is split into a 5 per cent. preferred ordinary and a deferred ordinary stock. The total capitalisation represented is over £348,000,000, and the terms were well received in financial circles.

So far, the amalgamation schemes sanctioned by the Tribunal had been preliminary schemes. The constituent companies in the North Eastern group, however, desired to bring forward a final amalgamation scheme to come into operation from the 1st January, 1923. Negotiations for absorbing the subsidiary companies had not yet been entered upon, all efforts having been directed to solving the problem of amalgamation in the first instance. The Act declared that all amalgamations and absorptions should come into operation on the 1st July, 1923, subject, it is true, to the discretion of the Tribunal in consultation with the Minister; but provided that the final amalgamation shall be deemed to come into operation immediately before the group absorptions. In view of this, the companies sought the directions of the Tribunal, and after conference, it was decided that the scheme as prepared should be submitted to the requisite "Wharncliffe" meetings of the shareholders for approval without any indication on its face of whether it was preliminary or final, and that this point should be decided by the Tribunal at the public sitting.

By the autumn, a number of agreed schemes were in preparation or in course of submission to proprietors' meetings, and it became evident that the great bulk of the grouping would be completed by agreement, a happy augury for the working of the Act. Of the great

companies, apparently only the Caledonian remained obdurate.

In November, three amalgamation schemes and five absorption schemes were referred to the Tribunal, three further schemes coming at the end of the year. The Tribunal proceeded to deal with these seriatim, and took first the amalgamation schemes for the Southern group and the North Eastern, Eastern and East Scottish group respectively.

The constituent companies in the Southern group, having settled their domestic difficulties satisfactorily, especially the electrification question, which had been composed with the aid of an expert committee of the Ministry of Transport, had now agreed upon terms of amalgamation. It was at first proposed to bring forward a preliminary scheme to get rid of the anomaly presented by the working union of the South Eastern and Chatham companies, referred to in the historical introduction. These two companies, although working as one, had not fused their capital or directorates, but were linked together by a Managing Committee composed of representatives of both boards. They figured in the First Schedule to the Act as three companies, namely, the South Eastern, the London, Chatham and Dover and the Managing Committee, and it was desired to fuse these into one company before joining with the other two constituent companies. For several reasons, however, this was found impracticable, and ultimately an amalgamation scheme was prepared, and approved by the stockholders, comprising all five companies.

This scheme was considered by the Tribunal on December 11th and 12th, 1922. It was intimated that the Southern group would abide by the decision of the Tribunal on the North Eastern scheme, which was to be taken at the same time, as to whether the scheme was to be a preliminary or final amalgamation. The original

capital of the new company as set forth in the schedule to the scheme (see Appendix IV) totalled about £145,000,000, comprising terminable loans and debenture stock, and several classes of preference and ordinary stocks.

Before dealing with the amalgamation scheme, the Tribunal sanctioned two absorption schemes put forward by the South Western and the Brighton companies respectively. The South Western scheme absorbed the Bridgwater, Isle of Wight, Isle of Wight Central, North Cornwall, Plymouth and Dartmoor, Plymouth, Devonport and South West Junction, and Sidmouth railway companies. With the exception of the island companies, these undertakings had all previously been worked by the South Western Company. In the Brighton Company's area, there were only two small subsidiaries, the Hayling and the Brighton and Dyke railways. Their scheme absorbed the Hayling company, no agreement having been reached with the Brighton and Dyke company, which was in the hands of a receiver.

The amalgamation scheme was then considered. This scheme, containing 42 clauses and lengthy schedules, reproduced in the Appendix, gave rise to considerable legal argument and was amended in various details. The same was true of the North Eastern scheme, and on both schemes questions arose which occasioned for the first time a proposal to resort to the Court of Appeal as provided in Sect. 9 (7) of the Railways Act. In the Southern case a class of stockholders called the " Reading " annuitants were dissatisfied with the proposed terms of exchange, claiming that their annuities must have full equivalent value given in amalgamated stocks with priority over every other obligation of the new company. The Tribunal, after hearing the arguments, decided that these annuities could be treated as " securities " under the terms of Sect. 3 (1) (c) of the Act and an equitable

allocation made, but as they felt there was doubt on the point of law, they acceded to the application made that they should state a case for the Court of Appeal. After negotiations, however, the parties came to an understanding which rendered recourse to the Court of Appeal unnecessary. The terms agreed are given in Appendix IV. The name proposed for the new system was the Southern Railway, an example in brevity and simplicity which unfortunately was not followed by the other group companies.

The North Eastern scheme was taken next, and after considering the legal arguments, the Tribunal decided to accept it as a final amalgamation dating from January 1, 1923. The same decision accordingly applied to the Southern scheme. In both cases, the Minister of Transport afterwards concurred. The new company so formed was entitled the London and North Eastern Railway Company, thus perpetuating the unnecessary inclusion of the Metropolitan terminus in the title. Doubtless, however, it will come to be known familiarly as the "North Eastern."

Incidentally, this scheme provided the other occasion referred to for invoking the Court of Appeal. A number of objections had been raised to both schemes by the Railway Clerks' Association, and certain of these had been accepted. Their most important objection, however, was made to the provision in the North Eastern scheme permitting the company to place new entrants to superannuation benefit in any of the funds which the company might select. This power, it was argued, might be used by the company to the disadvantage of the staff, and appeared to forestall the provisions of Section 3 (1) (g) preserving the *status quo* until new legislation could be passed. The Tribunal decided against the Clerks' view, and declining to state a case for appeal, the Association

itself applied to the Court of Appeal, but, in the result, the Court by a majority upheld the Tribunal's decision. Various amendments were made in the scheme, and a series of clauses conferring power on the amalgamated company to issue bearer warrants was deleted by the Tribunal.

These two new companies represented a combined capital of about £500,000,000, and to this was to be added next the North Western preliminary amalgamation, representing, without the Caledonian and the North Staffordshire, a capital of over £335,000,000. Altogether, the four amalgamations, when completed, including all the absorptions, brought together in four great combinations a total capital of more than £1,200,000,000, by far the greatest capital aggregation of any industry in the country.

The preliminary amalgamation scheme next considered comprised the London and North Western, Britain's "premier" railway, which had already absorbed the Lancashire and Yorkshire; its powerful rival, the Midland railway; the Furness line; and the Glasgow and South Western and Highland railways. Later it was announced that amalgamation terms had been agreed with the North Staffordshire, the remaining English constituent, but as the necessary general meeting to confirm the terms could not be held until 1923, this could not be included in the scheme. No agreement had been reached with the Caledonian Company. Even as it was, however, a powerful combination had come into existence, and as it was announced at the end of the year that the North Staffordshire line, pending confirmation, had become part of the amalgamated system, and that similarly the Caledonian system, despite the failure to agree terms of financial fusion, would also be worked with the rest, the largest British railway operating system was already in being. The preliminary scheme was in due course approved by

the Tribunal, and the opportunity was taken to bring these three large schemes as closely as possible into a common form. Sanction was at first withheld from the proposed name of the new company, the London Midland & Scottish Railway, which was deemed cumbrous and inappropriate, but after a subsequent meeting of directors had conferred with the Tribunal, consent was given. It is undoubtedly a pity that a simpler name could not have been agreed upon.

Before the amalgamation scheme was confirmed, both the North Western and the Midland brought forward for approval absorption schemes, comprising the North London line, which had long been worked by the North Western, the Dearne Valley railway, the Shropshire Union Railways and Canal Company, and the Yorkshire Dales railway. Negotiations were in progress with other subsidiary companies in the group, but these could not in any case be submitted as agreed schemes by the end of the year.

The last scheme to be sanctioned by the Tribunal before the close of 1922 was of a different character from all the others. Under Section 14 of the Railways Act, it was provided that the Railway Clearing House might submit to the Tribunal a scheme to effect such alterations of the Acts and regulations applicable to that institution as might be rendered necessary by reason of the amalgamations. A scheme was prepared in consultation with the Tribunal revising the constitution accordingly, and applying the provisions of the Third Schedule to the Act in regard to the rights of officers and servants affected by the revision. After certain objections had been dealt with, this scheme was sanctioned to come into operation on January 1, 1923. The operations of the Clearing House would of course in time be very greatly affected by the amalgamations, since the bulk of the traffic exchange arrangements, involving intricate calculations and account-

ing at the great establishment in Seymour Street, Euston, as well as constant checking by its staff of number-takers all over the railway system, would become domestic within the four companies. No doubt the transition will prove gradual, and possibly other useful functions for the four companies in common will be undertaken by the Clearing House, which already performs a great variety of tasks for the railway system as a whole, apart from its valuable system of conferences of railway officers. Nevertheless, the volume of its transactions is bound to shrink, and its meetings be reduced, at least in size. Originally, it comprised 58 members of the clearing system, while many smaller railways were represented through constituent members. At the date of the scheme, these were reduced to four group companies and 16 other companies ; several of the latter afterwards became part of the amalgamations.

Two further agreed absorption schemes, referred to the Tribunal before the 1st January, 1923, by the Southern and Great Western companies respectively, remained to be dealt with in the new year, and it was open to the London Midland and Scottish and the Great Western companies, which were still technically " constituent " companies, to submit agreed preliminary schemes if they desired, under Section 8 of the Act, up to July, 1923 ; but otherwise all amalgamations and absorptions under the Act would now fall to be prepared and settled by the Tribunal. These will be considered in the next chapter.

Chapter V.

Work of the Tribunal: Settled Schemes.

At the beginning of 1923, the "reorganisation of the railway system" contemplated in Part I of the Railways Act was in its main outlines practically complete. Thus in one short year, a veritable revolution had been effected in the constitution of our transportation system, although naturally much time and effort would be needed to realise throughout the system the full effects and benefits of the change which had taken place in its formal structure. Meanwhile, the more difficult part of the work of the Amalgamation Tribunal remained to be accomplished.

So far the Tribunal had been dealing with amalgamations and absorptions the terms of which had been agreed between the companies concerned; but the date fixed by the Act for agreement having expired, it was now necessary to settle the terms and conditions of amalgamation or absorption in those cases where no agreement had been reached. The position at the beginning of the year was as follows. There were two agreed absorption schemes which had been referred before the 1st January still awaiting the approval of the Tribunal. These were promoted by the Southern and the Great Western railways respectively, the first comprising three and the second nine subsidiary companies in the Southern and Western groups. This left for settlement by the Tribunal: in the Southern group, three subsidiary companies; in the Western group, four subsidiary companies (and the final

amalgamation scheme) ; in the North Western, Midland and West Scottish group, two constituent companies and 23 subsidiary companies, and in the North Eastern, Eastern and East Scottish group, 26 subsidiary companies.

Before tackling the contentious cases, the most formidable of which was of course the Caledonian, the Tribunal disposed of the two agreed absorption schemes. These were approved to take effect as from the 1st January, 1923. The Southern absorption scheme comprised the London and Greenwich, the Mid-Kent, and the Victoria Station and Pimlico railways, all short worked lines : as regards the Mid-Kent, it appeared at the hearing that the technical requirements of the parliamentary Standing Orders governing the calling of Wharncliffe meetings had not been complied with, and a further meeting had to be called before the scheme was sealed. The Great Western third absorption scheme comprised the following companies : the Gwendreath Valleys, Liskeard and Looe, Llanelly and Mynydd Mawr, Mawddwy, Penarth Extension, South Wales Mineral, Teign Valley, Van, and Welshpool and Llanfair Light railway companies. In so far as these schemes departed from the common form now generally adopted, they made necessary provision for special difficulties in which some of these small companies were placed, by reason of having contracted various obligations and debts, or even, in one or two cases, being in receivers' hands. This became a difficult issue in later cases.

In order to deal with the non-agreed cases, the Tribunal devised a method of procedure by successive stages of inquiry as between the parties, which, while clearly bringing out the facts not in dispute and stating the claims of either side, defined and narrowed down, by exchange of views and criticism, the points finally at issue ; and at this stage, by a preliminary hearing of the

parties, or a ruling upon some outstanding question of law or interpretation of the Act, it became possible in some cases to secure agreement between the parties without having to impose terms of settlement upon them. Moreover, it is possible that some of the subsidiaries, by holding out against the big companies, felt that they would secure better terms on absorption than those who, as it were, capitulated at the first offer. When it was found that the procedure under Section 8 of the Act enabled preliminary schemes to be brought forward by agreement in 1923, where the absorbing company remained a constituent company, as required by that section, both sides no doubt felt that a little further latitude was secured for negotiation.

In the result, terms for absorption were agreed with a number of subsidiary companies, considerably reducing the 56 cases outstanding at the beginning of the year. As regards the North Western and North Eastern groups, of course the number of absorptions still to be effected was due to the fact that effort had been primarily concentrated during 1922 on amalgamation of the constituent companies : in the former case, the attitude of the Caledonian may also have had some influence, while in the latter group, practically nothing had been done. The fact that the London and North Eastern and the Southern companies had now been amalgamated precluded any absorptions being brought forward as preliminary agreed schemes in those groups, but in the Western and North Western groups, this, as explained, could still be done. Accordingly, the schemes next to be considered came from these two groups.

The Great Western first submitted a small scheme for the absorption of the Didcot, Newbury and Southampton line. This was practically in common form, and no questions being raised, it was approved on the 27th March to take effect as from January 1, 1923. This left only

three subsidiary companies in the Western group to be absorbed—the Exeter, the Forest of Dean Central, and the Midland and South Western Junction railways.

The next agreed absorption scheme to be considered was promoted by the London Midland and Scottish company for the absorption of 17 subsidiary companies in that group, namely: Arbroath and Forfar, Brechin and Edzell District, Callander and Oban, Cathcart District, Cleator and Workington Junction, Cockermouth, Keswick and Penrith, Dornoch Light, Dundee and Newtyle, Lanarkshire and Ayrshire, Maryport and Carlisle, Mold and Denbigh Junction, North and South Western Junction, Portpatrick and Wigtownshire Joint Committee, Solway Junction, Stratford-upon-Avon and Midland Junction, Tottenham and Forest Gate, and Wick and Lybster Light railway companies. Another small Scotch company, the Killin, agreed too late for inclusion in this "omnibus" scheme. Apart from this, there were now left only five companies in the North Western group whose absorption was to be settled by the Tribunal. These were: the Charnwood Forest, Harborne, Leek and Manifold, Knott End and Wirral companies.

Even better progress was being made in the North Eastern group. The London and North Eastern company being now amalgamated, all absorptions would technically be settled by the Tribunal under the terms of the Act, but this did not of course preclude agreement between the parties, and eventually negotiations resulted in no less than 22 out of the 26 subsidiary companies in this group agreeing upon terms for absorption, although several of these nearly found agreement impossible without the intervention of the Tribunal, and one, the Nottingham and Grantham, was given a preliminary hearing. A draft of the absorption scheme was first brought before the Tribunal for consideration on the 23rd April, and after

subsequent conference and amendment, the scheme as finally settled by the Tribunal was confirmed on the 29th June. The four companies remaining outside this agreement were the Forth and Clyde Junction, Mid-Suffolk, Newburgh and North Fife, and South Yorkshire Junction railways.

In the Southern group, no agreement could be reached with the three remaining subsidiary companies, the Brighton and Dyke, the Freshwater, Yarmouth and Newport, and the Lee-on-the-Solent railways.

Thus, at the end of April, by negotiation and agreement, the contentious cases, apart from the Caledonian, had been reduced to a total of 15 subsidiary companies in the four groups, and later, assisted no doubt by the Tribunal's procedure, these were further reduced to 9, the Midland and South Western Junction, Charnwood Forest, Harborne, Wirral, Newburgh, and North Fife, and South Yorkshire companies reaching agreement just before the dates fixed for the hearing of their cases by the Tribunal.

The Caledonian case was taken by the Tribunal on the 30th April, after various statements had been obtained from either side, and the points at issue narrowed and defined. The hearing of the arguments occupied a whole week. A brilliant array of legal talent was engaged on each side, and much expert evidence was called on the matters in dispute. The crux of the problem was the consideration to be given in amalgamated stock for the Caledonian ordinary stock, especially the deferred ordinary, but this of course raised the whole question of the value and prospects of the Caledonian undertaking.

The London Midland and Scottish proposed that its own capital should be exchanged for exactly similar amounts of stock and of similar classes in the capital of the company to be formed by the final amalgamation scheme, and that in like manner the stock of the Caledonian

ranking in priority to the ordinary stock should be exchanged for similar stock of the amalgamated company in such proportions as would yield the same income. Up to this point the parties were agreed, except for certain outstanding questions which were later satisfactorily settled. The bulk of the Caledonian ordinary stock, to the extent of over £15,000,000, had long been split, whereas the London Midland and Scottish had no split stock. They offered the Caledonian £75 amalgamated 4 per cent. preference stock for every £100 preferred converted ordinary, and £8 amalgamated ordinary stock for every £100 deferred converted ordinary in the Caledonian, but this offer was refused on the ground that the offer to the deferred ordinary was too low. The London Midland and Scottish calculations were based on the net revenue figures for 1913, whereas the Caledonian claimed that their position had greatly improved in 1922, that they had a large amount of free reserves, improved traffic prospects, and a special value as a component part of the amalgamated system. These and other issues were tried out in great detail, and although on the one hand the London Midland and Scottish slightly improved on their offer, while on the other, the Caledonian gave up certain of its contentions, it remained in the end for the Tribunal to determine the terms of amalgamation. There were also Caledonian stocks known as deferred ordinary Nos. 1 and 2, which had never received a dividend, but for which the Caledonian claimed some compensation on extinction.

The Tribunal in due course published its award, which allocated to the holders of each £100 Caledonian preferred converted ordinary stock £50 amalgamated 4 per cent. preference stock, and £13 6s. 8d. ordinary stock; and to the holders of each £100 deferred converted ordinary stock, £10 amalgamated ordinary stock. They made no allocation to the holders of deferred ordinary Nos. 1 and 2 stocks.

This award did not satisfy the Caledonian company, who at first proposed to go to the Court of Appeal under the provisions of Section 9 (7) of the Act, and then decided to issue a circular to their shareholders urging objections to the Tribunal's scheme when published, and stating that the Company also proposed to lodge objections. The amalgamation scheme, as prepared by the Tribunal, was duly published and a day appointed for hearing objections.

On the 25th June the Tribunal sat to consider the objections of the Caledonian company, a body of preferred ordinary stockholders, and various individual objectors, and after hearing the arguments, which one of the leading counsel engaged in the case referred to as resembling that unpalatable Scottish dish known as "cauld kail het agen," they decided that they had heard nothing to cause them to modify their award in any particular. They declined to state a case for the Court of Appeal on any point of law, and it was afterwards notified that neither the Caledonian company nor any objectors proposed to appeal on their own account. The scheme, which included the North Staffordshire company, was sealed on the 29th June, to come into operation on the 1st July, 1923, and thus the greatest of the four amalgamated companies, with a capital of about £400 millions, was brought into existence.*

Turning from great things to small, the Tribunal had next to consider the little group of subsidiaries in the Southern area. These were light railways or practically tram roads,but the problems they presented were none the less difficult of solution. The lines were the Lee-on-the-Solent, the Brighton and Dyke, and the Freshwater, Yarmouth and Newport, in the Isle of Wight. All three

* These and other proceedings before the Amalgamation Tribunal will be found fully reported in the *Railway Gazette* between December, 1921 and August, 1923.

were heavily in debt and the two last were in the hands of receivers.

The Lee-on-the-Solent case was especially interesting, since the Tribunal's decision affected several other outstanding absorptions and led to a special case being stated for the Court of Appeal. Indeed, the Southern Railway company considered the point of principle involved of sufficient importance to warrant them in asking leave to go to the House of Lords. Subsequently, however, they decided not to take the matter further. The line had been worked by the London and South Western since 1909, under an agreement which provided that any excess of gross receipts over £1,400 a year should be divided in the proportion of 75 per cent. to the Lee company and 25 per cent. to the working company. The receipts had never reached £1,400 in any year, and the Southern company contended that the line had no value. The land was leased from the War Office, which had the right to remove the railway without compensation. There were outstanding liabilities exceeding £14,000 which, as the company was insolvent, would not be paid, and the Southern company argued that it was not incumbent upon the Tribunal under the Act to transfer these liabilities on absorption.

Section 5 (*a*) of the Act requires that an absorption scheme " shall provide in such manner as appears necessary or expedient for the transfer to the amalgamated company of all the property, rights, powers, duties, and liabilities, whether statutory or otherwise, of any subsidiary company to which the scheme relates " ; and after hearing the legal arguments on both sides, the Tribunal decided that, reading Section 5 in combination with the Railway Clauses Act of 1863, they were compelled to conclude that all liabilities must be transferred to the vesting company on absorption. They recognised that, in certain cases, this might create a situation which was not in fact equitable,

but saw no escape from the requirements of law. They expressed no opinion as to the validity of the debts in this case, and agreed to state a special case for the Court of Appeal.

It is somewhat incomprehensible that during the drafting of the Bill, the plain meaning of this section as bearing upon some of the undertakings included in the First Schedule, whose circumstances were perfectly well known, should have escaped the attention of the railway companies concerned, but the situation having been in fact created, it could only be squarely faced, nor were the probable consequences nearly as serious proportionately as the companies sought to show. The Tribunal's decision was upheld by the Court of Appeal, and this affected in varying degrees the terms of absorption of the Brighton and Dyke, Freshwater, Mid-Suffolk, Forest of Dean, Leek and Manifold, and Midland and South Western Junction railways. The last-named company had agreed on terms of absorption with the Great Western : the only particular in which these were affected by the Lee decision was the liability for a loan by the old Midland company, and this question was eventually settled between the two amalgamated companies.

The other cases mentioned presented individual points of interest which led to hearings before the Tribunal, which in addition had to settle the Exeter, Forth and Clyde, and Knott End absorptions. The principal matters of interest in these cases may now be briefly indicated : the terms of absorption in every case are given in Appendix IV

The most contentious of the smaller cases was the Forth and Clyde Junction railway, now absorbed by the London and North Eastern company. This was a relic of the old days of cut-throat competition in the sixties of last century, when it acquired a strategic value as between the rival efforts of the North British and Caledonian which had

departed since the passing of that era. As showing the lengths to which railway companies were then prepared to go, the original agreement with the North British may be cited. This company took over the entire working, management and maintenance of the Forth and Clyde, purchased the small rolling stock for over £15,000, paid all ground rents, rates, taxes and other charges, together with an annual sum of £200 to the Forth and Clyde, and then divided the gross receipts with them on an equal basis. Further, the Forth and Clyde were to participate in any improvement of traffic not only on their own line, but also on the North British. For all this the fortunate Forth and Clyde directors and shareholders were to do nothing whatever, and their income was guaranteed. This agreement was afterwards modified, but the new terms were still favourable to the Forth and Clyde, and the modified agreement ran until 1925. It was on this basis that the London and North Eastern offer was made, providing for the Forth and Clyde shareholders an annual income of £4,338; but the subsidiary company stood out for better terms, alleging great possibilities of traffic development under energetic management. The issue was left to the Tribunal to decide, and the terms as settled by them will found in Appendix IV.

In the case of the Exeter railway, a single line of six miles, the chief obstacle to agreement was the development since 1913 of stone quarries on its route, which the Exeter company contended gave them much better prospects for the future. The line had also a possible emergency value to the Great Western as an alternative route. A preliminary decision by the Tribunal on a point of law, ruling that the net revenue for 1913, plus allowance for interest on capital, could not be taken as the sole measure of the value of the line, did not enable the parties to agree, and accordingly the case was further argued, the Tribunal

finally settling the terms. In all these cases, much expert evidence was called on both sides, several general managers and chairmen, amongst others, figuring in the witness-box.

The Mid-Suffolk absorption was partially governed by the Lee decision, but in this case the Tribunal further decided that debenture stock was not a "liability" to be transferred under the terms of Section 5 (*a*), but a "security" as defined by Section 5 (*c*), for which the Tribunal were empowered to make any allocation they thought fit. The stockholders' counsel at first proposed to appeal against this decision, but eventually decided not to do so.

The Forest of Dean Central railway, mainly a colliery line, was a case of peculiar difficulty, as the company had long ceased to have any formal existence, there being no directors, officers or records. The line had been worked by the Great Western from 1865, since 1890 on a lease from the Crown; there were Lloyds bonds to the value of £12,000 and the company was indebted to the Great Western to the extent of £22,000. The Tribunal decided that the line should be transferred without any consideration being given.

In the case of the Freshwater, Yarmouth and Newport railway in the Isle of Wight, the claimants sought compensation on the basis of the construction of a tunnel under the Solent connecting the mainland railways with those of the island via the Freshwater line. Parliamentary powers had been obtained for its construction before the war, and it was claimed that, if the tunnel proved unprofitable in itself, it would undoubtedly bring accretions of traffic to the mainland connections, and great development and prosperity to the island. The Southern company maintained that the tunnel would not be built, and that the cost of construction under present conditions would in any case greatly exceed the value of any possible traffic development.

The Freshwater company's claim on this basis was not allowed; but it remains to be seen whether, perhaps under very different conditions in the future, the island will not eventually be physically connected with the mainland. There is no engineering difficulty, and as compared with the much greater projects of the Channel and St. George's tunnels, while of course the results would be infinitely smaller, it may sometime be found worth while to build the tunnel.

Another case that required a formal hearing was the Knott End absorption. This was a short line of 11 miles running off the London Midland and Scottish system to the mouth of the Wyre opposite Fleetwood, and the bone of contention in this case as in most of the others lay in the alleged future potentialities of the line and district, especially in regard to the rock salt traffic. In this instance, the subsidiary company obtained from the Tribunal rather better terms than had been offered them by the vesting company.

The absorptions which had been agreed between the parties before coming to the stage of argument before the Tribunal were the Charnwood Forest, Harborne, Killin, Wirral, Mansfield, Nottingham and Grantham, Newburgh and North Fife, and Midland and South Western Junction, although in several of these cases the Tribunal intervened.

The Tribunal also settled the Great Western final amalgamation scheme, operating from July 1, 1923. This is the shortest of the four, containing only seven clauses, because, as we have seen, the amalgamation was really effected by the Great Western and Barry preliminary scheme. Both schemes are reproduced in Appendix III.

The later sittings of the Tribunal were concerned with the consideration of the Leek & Manifold absorption, and with objections to the three Southern schemes, the Midland & South Western Junction, Forth & Clyde and

South Yorkshire schemes. In regard to the absorption of the Leek & Manifold by the London Midland & Scottish company, in which the Treasury and other authorities were interested as mortgagees, the parties concerned, considering that the points raised were not covered by the Lee-on-the-Solent decision, asked the Tribunal to state a case for the Court of Appeal, to which course it consented. Before settling the Forth & Clyde scheme, the Tribunal gave judgment that the costs of the vested company should be settled by the amalgamated company. It came out at this hearing that the Forth & Clyde directors had rejected an offer made by the London & North Eastern company much more favourable than the award subsequently made by the Tribunal. In the case of the South Yorkshire Junction line, which had really been promoted by a colliery company to facilitate its coal traffic to Hull, the Tribunal gave the benefit of succession to the agreements made by the railway company to the colliery company, and the London & North Eastern thereupon asked for a case to be stated. The Tribunal were unable to agree to this, but withheld settlement of the scheme to enable the company to obtain the directions of the Court.

All the outstanding absorptions were eventually settled, subject to one or two outstanding questions of law, the terms being indicated in Appendix IV, and the work of the Tribunal virtually came to an end in October, 1923. Its last task was to apportion the cost of its labours, as laid down in Section 10 of the Act, between the four amalgamated companies. This proved to be substantially less than was anticipated when the Act was framed.

Although we have yet to deal with railway compensation, it may be appropriate here to take leave of the Tribunal, which concluded its task and passed out of existence with the same quiet informality that marked its proceedings

throughout. The Tribunal sought always to avoid unnecessary complication, to ensure practical efficiency in its proceedings, to carry on its work with economy—as an instance of which it may be mentioned that its whole staff consisted of two officers from first to last—and to expedite the completion of its task. As the Tribunal published no report, save a bare list in the official Gazettes of the schemes confirmed and settled, this account, and the reports of its proceedings which appeared in the *Railway Gazette*, must serve as the sole written memorial of its labours. *Si monumentum requiris, circumspice!* But in the fullest sense, the railway companies themselves may fairly claim to have been active co-architects of the edifice.

Chapter VI.

Railway Compensation.

In an earlier chapter, the agreements between the railway companies and the Government during the period of control have been referred to, and the report of the Colwyn Committee mentioned. During the early stages of the war, the effect of these agreements was, on the whole, favourable to the Government, but later, owing to the increases in the cost of materials and changes in rates of pay and hours of labour, large sums had to be paid by the Government to make up the deficits on working to the 1913 standard. The Colwyn Committee estimated early in 1921 that the outstanding claims under these agreements up to the end of the period of control might amount to about £150,000,000, but as we have seen, an agreement was concluded with the railway companies before the introduction of the Railways Bill whereby all claims to compensation were compounded for the sum of £60,000,000. This sum it became the duty of the Railways Amalgamation Tribunal to allocate in accordance with the terms of the Act.

Sections 11 and 12 of the Act detail the manner in which the money is to be distributed amongst the railway companies of whose undertakings possession had been taken by the Crown during the war, and it is provided that, subject to effect being given to the agreements up to the end of the period of control, the payment of this money " shall be a full discharge and in satisfaction of all claims which might otherwise have been made by any railway company in

Great Britain . . . for compensation under the Regulation of the Forces Act, 1871, the Ministry of Transport Act, 1919, or otherwise" arising out of Government control. The sixty millions was deposited with Messrs. Glyn, Mills, Currie & Co. to the credit of "The Railways Compensation Account" and it was to be payable by two equal instalments of thirty million pounds each, due on December 31, 1921, and December 31, 1922, respectively.

The manner in which the instalments were to be divided up amongst the companies will be found described in Section 12 (Appendix I). Out of the first instalment, twenty-four and a-half millions was to go to the working companies on the basis of their net receipts in 1913 plus the 4 per cent. increase in rates out of the revenue of that year, and of additions in respect of interest on capital expenditure in 1920. A sum of half a million was set aside for compensation to the leased and worked companies, and the remaining five millions was to be distributed amongst the companies who had suffered abnormally in the last four months of 1921 by the standardisation of rates of pay, hours of duty and other conditions of service.

Out of the second instalment of thirty millions, the sum of twenty-five millions was to be distributed amongst the companies who on December 31, 1920, were in arrear in respect of maintenance and renewal of way and works and/or rolling stock. The remaining five millions was to be divided like the similar sum in the first instalment, but for the year 1922 instead of the last four months of 1921. Provision was also made for the rateable distribution amongst the companies of any balances remaining from the various allocations, as well as of all interest accruing on the capital sum.

It was further enacted that, subject to certain charges for income tax, all moneys received by the companies out of this fund might be applied in any manner that a company

should determine as a reserve fund, or for repairing, improving or maintaining the undertaking, for payment of interest or dividend, or for any other purpose for which the earnings of the company might be properly applied.

As in the case of amalgamation schemes, the Act contemplated and allowed for schemes of allocation in accordance with the foregoing provisions being agreed between the railway companies concerned. Failing agreement, such schemes were to be settled by the Amalgamation Tribunal. Fortunately, in the event, all five schemes of allocation were brought before the Tribunal as agreed schemes, and it remained only for that body to satisfy themselves that the requirements and intention of the Act had been duly carried out, and to authenticate the schemes. It is no little to the credit of the numerous companies entitled to participate in the compensation fund, and evidence of the spirit of practical co-operation which ruled throughout, that despite the difficult and delicate negotiations involved and the intricate calculations required to determine each company's due proportion, they were able eventually to agree among themselves the allocation of the whole sixty millions, with the addition of over seventy-eight thousand pounds in interest, without requiring the intervention of the Tribunal to settle any points of difference between them.

The first public sitting of the Tribunal, on December 13, 1921, was for the purpose of considering the First Scheme of allocation. This distributed a total sum of £23,610,437 amongst 82 companies entitled to participate therein, the balance of the twenty-four and a half-millions being left for settlement later. In this First Scheme it was necessary to prove who were the railway companies of whose undertakings possession was retained under the Ministry of Transport Act, 1919, since the original War Office letter had not been sent to all the companies whose

lines subsequently came under Government control. These proved to be 163 in all, of whom 81 were companies neither themselves conducting their traffic nor maintaining their undertakings within the meaning of Section 12 (3) of the Railways Act.

The Second Scheme was brought before the Tribunal on May 5, 1922. This was to allocate five millions among those companies who had suffered abnormally owing to the standardisation of rates of pay, hours of duty and other conditions of service imposed during the Government control of the railways, any balance being distributed rateably amongst the "normal sufferers." In the form in which it was agreed, this scheme also provided for the authentication on a similar basis of the second five millions due on December 31, 1922, the object of this being to enable a more equitable division to be made of the whole ten millions set aside for this purpose, and especially to assist the smaller companies by giving them a better proportion of the total, of which one-half would be immediately payable, than they would receive if the two instalments were divided up separately and strictly on the basis laid down in the Act. This was of practical assistance not only to the smaller English companies, but also to the Scottish companies who had been hard hit by the conditions prevailing since the Armistice. The Tribunal, being satisfied with the evidence of Sir Alexander Kaye Butterworth and the chairman of the Accountants' Committee as to the methods of calculation adopted, authenticated the scheme for the allocation of the ten millions and also for the settlement of certain items left in abeyance from the First Scheme.

The next scheme was a comparatively small one. A half million was set aside "for the payment thereout of such compensation as may be awarded by the Amalgamation Tribunal" to non-working companies, the balance to

be distributed among the 82 working companies. The Third Scheme was, therefore, to be negotiated not only between the immediate participants but also with the "residuary" companies. This was finally accomplished, and an agreed scheme was submitted to the Tribunal on July 17 and approved by them. The scheme distributed £375,000 among 22 non-working companies who had satisfactorily established their claim to participation, leaving the balance to be allocated later among the working companies.

Payment of the second instalment of the compensation money did not become due until after December 31, 1922, and by this time, as we have seen, amalgamation was far advanced. The sum of £25,000,000 was payable in respect of arrears of maintenance and renewal work existing at December 31, 1920, and in addition, the second five millions already authenticated in May, 1922, was now to be distributed, making thirty millions in all. The Fourth Scheme was brought forward on January 31, 1923, and represented complete agreement between the companies entitled to participate. Of these, 20 were declared to be not in arrear, and this left 62 companies to divide the 25 millions between them. In actual fact, most of these companies had now disappeared as independent entities, and the great bulk of this compensation was accordingly paid to the amalgamated or grouped companies as their successors.

There remained now to be distributed only the items which had been left unsettled from the earlier allocations, the balance of the half million awarded under the Third Scheme, and the interest which had accumulated on the various sums held in the bankers' hands. All these matters were gathered together and disposed of in the Fifth and last scheme of allocation presented to the Tribunal on February 21, 1923. It was made up of

three sums: £809,456 being the aggregate of the disputed items, £125,000 balance of the half million, and £78,287 accumulated interest, or £1,012,743 in all. The distribution was agreed by all the companies and was approved by the Tribunal, thus closing the "Railways Compensation Account."

In recording this fact, the *Railway Gazette* remarked: "It is, indeed, excellent testimony to the practical wisdom and capacity for co-operation exhibited by the companies in the matter of the division of Government compensation that in each case complete agreement has resulted from all the detailed and difficult negotiations which have necessarily accompanied the preparation of the several schemes of allocation. . . . With the distribution of the last million, an interesting and difficult chapter in railway history, and one which, but for the good sense and moderation of the parties most nearly concerned, might have developed into a formidable and contentious issue, has been brought to a satisfactory close. . . . Henceforth (the companies) stand squarely upon the provisions of the Railways Act for the economic and efficient conduct of their undertakings."

The total amounts distributed by the five schemes were as follows:—

	£
First Scheme, dated December 21, 1921 ..	23,610,437
Second Scheme, dated May 15, 1922 ..	80,107
	10,000,000
Third Scheme, dated July 17, 1922 ..	375,000
Fourth Scheme, dated January 31, 1923 ..	25,000,000
Fifth Scheme, dated February 21, 1923 ..	1,012,743
	£60,078,287

A tabular statement has been specially prepared, and will be found in Appendix V, showing in detail the distribution of these moneys amongst the companies in accordance with the various relevant sections of the Railways Act. It

also shows the amounts allotted to each group and to the independent lines under the various heads, together with the grand totals and the accrued interest. In this form, the statement will repay examination by the student of railway finance.

There is no doubt that, at the closing of the compensation account and on the completion of amalgamation, the companies found themselves financially in a very strong position. It was elicited, in reply to a question in Parliament early in 1923, that the total railway reserve funds, which before the war had amounted to £23,000,000, then exceeded £130,000,000, and this did not include the second instalment of compensation. These reserves had been steadily added to during the war, when expenditure was necessarily curtailed, and it had been shown, for instance in the Caledonian case, that much of the money would not be required for the purpose originally intended, nor was any large proportion distributed in dividends. The companies had therefore these solid reserves behind them, to apply to necessary development works, to offset the possible effects of reductions in rates, and for other purposes, until the benefits of the Railways Act could be fully realised and the position of the railways under the new regime clearly ascertained.

Chapter VII.

The New Railway System.

Having now followed the course of railway amalgamation in Great Britain from its early beginnings up to the completion of the scheme of reorganisation laid down in the Railways Act, it will be appropriate to describe in outline the new railway system which is the product of that long process of consolidation.

The "Big Four," as they are beginning to be called, comparing with the "Big Five" in the banking world, do not of course cover the whole of the railway mileage of Great Britain. There are still left outside the grouping a certain number of light railways, metropolitan lines, and some important "joint committee" systems owned "across the groups," such as the Cheshire lines, Midland and Great Northern Joint, and others. Lines jointly owned by constituents of the same group, although not specifically mentioned in the Railways Act, of course fell automatically into the group when formed. Those now jointly owned by different groups will doubtless form the subject of negotiation between the amalgamated companies, while one or two independent lines forming important connections may even be the subject of competitive offers, unless this is settled by arrangement. One or two absorptions have already taken place outside the Railways Act, namely, the absorption of the Lynton and Barnstaple railway by the Southern company and the transfer of the Somerset and

Dorset line to the Southern and London Midland and Scottish companies jointly, thus constituting another "cross-group" undertaking. This transaction was originally promoted by the South Western and the Midland companies before grouping was effected.

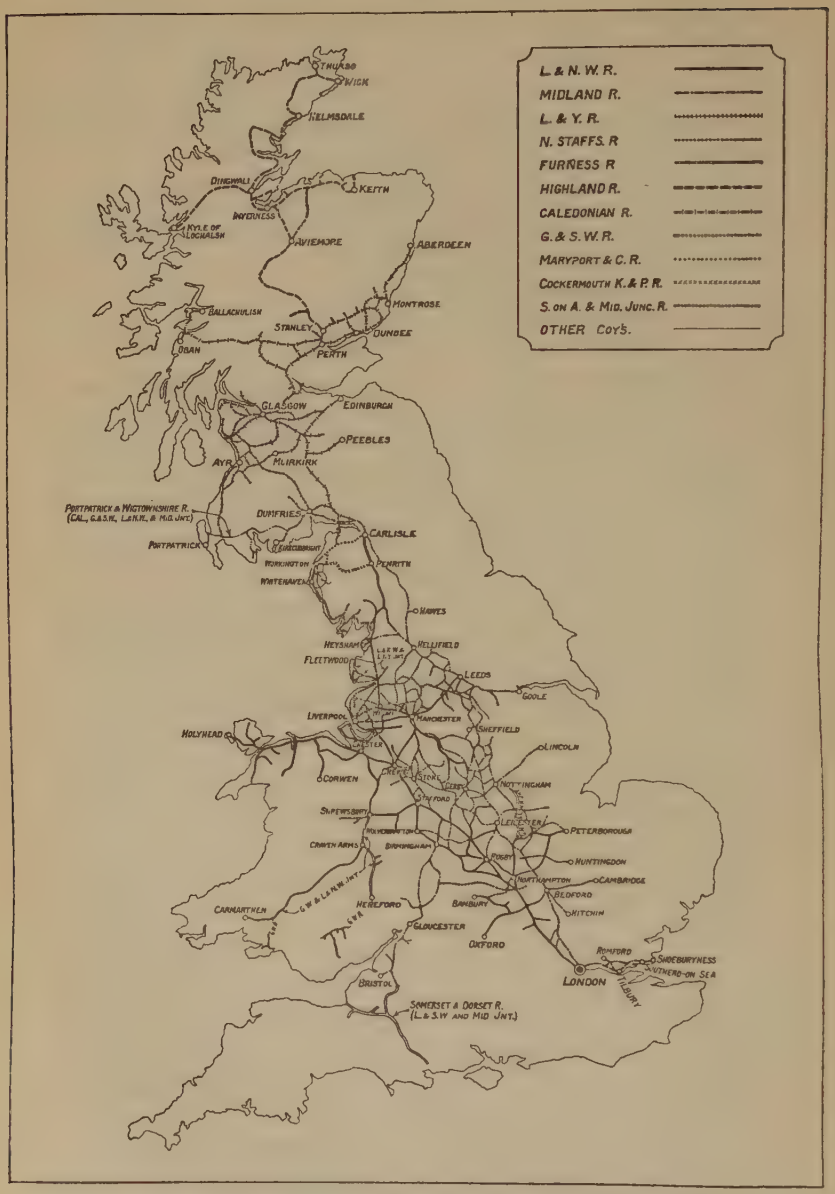
With few important exceptions, however, the railway system of Great Britain is now divided up between—

The Southern Railway.
The Great Western Railway.
The London Midland and Scottish Railway.
The London and North Eastern Railway.

These four systems differ greatly in extent and character, and as will be seen from the sketch maps reproduced in this chapter, their respective territories overlap considerably. The London Midland and Scottish Railway has outlets on the East Coast, while the London and North Eastern system penetrates to the West, and the Great Western has a considerable mileage both in the West Midlands and in Devon and Cornwall. Only the Southern company owns a compact territory south of the Thames from Thanet to, say, the Dorset border. If the two greater groups may be broadly described as predominantly "industrial" systems, the railways serving the South and West depend more upon their passenger and holiday traffic, although the Great Western has also acquired a definitely "industrial" character in South Wales.

Of the total railway mileage of Great Britain, including sidings, of about 51,500 track miles, the London Midland and Scottish system accounts for over 19,000 miles, exclusive of its Irish lines, the London and North Eastern for 17,500 miles, the Great Western for 8,750 miles, and the Southern for 5,400 miles.

The London Midland and Scottish Railway, the largest British system (see map), is made up principally of



The London Midland and Scottish Railway System.

the London and North Western, including the Lancashire and Yorkshire, and the Midland railways in England, and of the Caledonian, Glasgow and South Western and Highland railways in Scotland. This great network, with its lines extending into Wales, and across to the East Coast, ramifying throughout Scotland except the South Eastern portion, and possessing extensive running powers over other systems, covers the larger part of Great Britain, except the South of England, though even here it throws out a tentacle through its joint ownership with the Southern railway of the Somerset and Dorset line. The North Staffordshire and Furness, and a number of subsidiary and joint lines, complete the system in Great Britain, and in addition the company at present owns a considerable mileage in the north of Ireland. Its total route mileage in this country is about 8,000 miles. The system also includes about 350 miles of canals.

The company owns a considerable fleet of steam vessels and a number of important docks and harbours. It runs steamship services to Ireland through Holyhead, Liverpool, Heysham and Stranraer, and to the Continent through Goole and Hull. Steamers also navigate the Clyde, the Scottish locks and the English lakes. In addition to the harbours named, the company has docks and wharves at Alloa, Ayr, Barrow, Bristol, Fleetwood, Garston, Gourock, Grangemouth, Largs, Morecambe, Renfrew, Troon, Wemyss Bay, Widnes, on the Thames, and at other places.

The famous locomotive, carriage and wagon works at Crewe of the old London and North Western are now supplemented by works belonging to other constituents at Derby, Horwich, St. Rollox (Glasgow), Kilmarnock, Inverness, Stoke-on-Trent, Barrow, Wolverton, Newton Heath (Manchester) and elsewhere. Doubtless these will be reduced in time, as will also the establishments of the other three companies, by the economies consequent on

amalgamation. The company claims to be the largest railway hotel proprietors, controlling some 34 establishments.

The company's main traffic routes serve the majority of the large manufacturing and industrial counties of the Midlands and the North. Apart from its Irish and Scottish services, it also provides through services with the West and South, and besides connecting industrial centres, serves a number of holiday resorts on the Welsh and North West coasts, Isle of Man, Lake district, and in Scotland. A few leading statistics may be of interest.

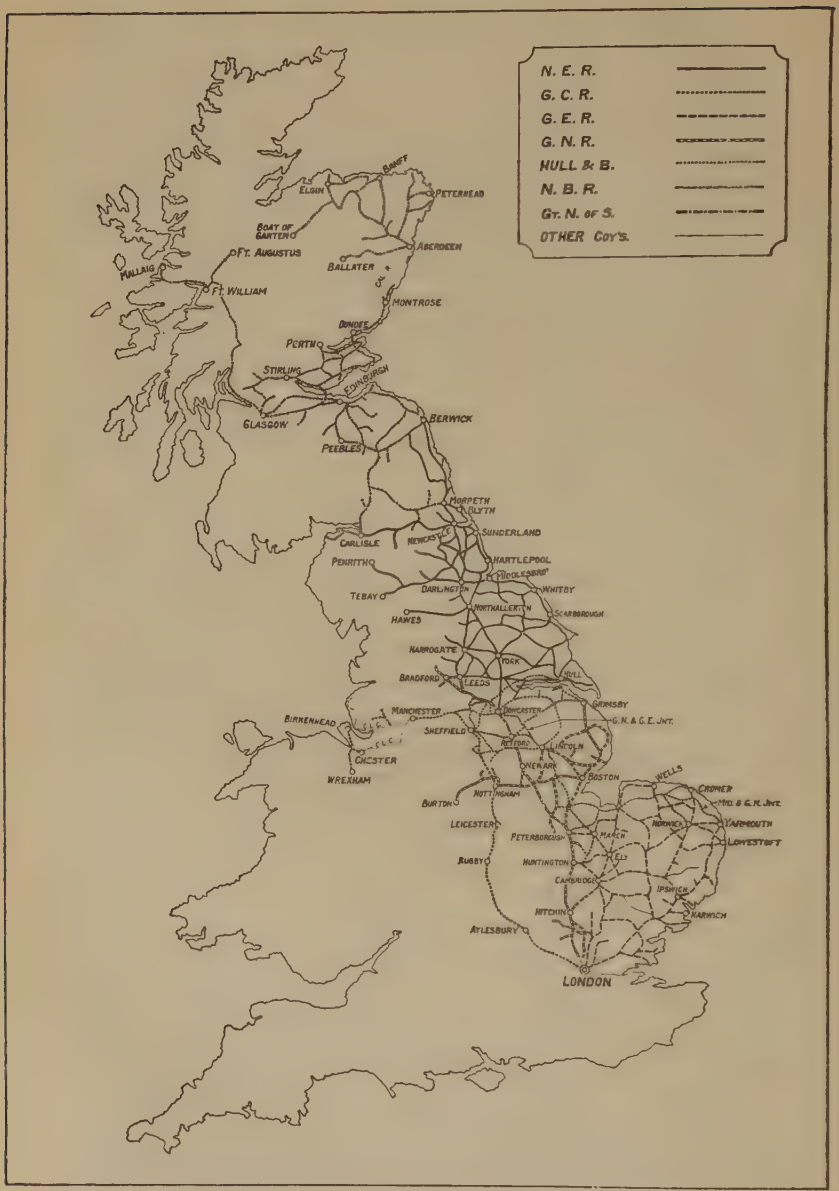
The company has a capital of about £385 millions. For 1921, the gross receipts from railway operations only were £110,750,000; the total expenditure on railway working, £94,600,000; and the net receipts, including all items, £20,020,000. The total passenger traffic for the year, apart from holders of season tickets, of which 322,000 were issued, was 338,687,000. The freight traffic included general merchandise, 19,300,000 tons; coal, coke and other fuel, 47,000,000 tons; other minerals, 16,150,000 tons; and live stock, 6,937,000. The year 1921 was of course still affected by trade depression.

The rolling-stock owned by the company includes 10,400 steam locomotives, 27,000 coaching vehicles, 315,000 freight vehicles, and 22,300 service vehicles. There is also an electric locomotive and 550 electric motor and trailer cars. Considerable increase in the electric rolling-stock of all four companies may of course be expected as electrification proceeds. In 1921 the total engine mileage run, including shunting, was 178,380,000 miles.

The fleet of the company comprises 14 turbine vessels, 51 screw steamers, 7 paddle steamers and a number of smaller boats. The company also owns over 1,000 road vehicles.

The principal headquarters of the company are at Euston Station, London, and it also owns many other fine stations both in London and the provinces and in Scotland. The question of organisation will be referred to later, when the other three systems have been briefly described.

The London and North Eastern Railway (see map), in extent the second largest of the four groups, possesses a distinctive character of its own, derived from that of its principal components. Of these the strongest was undoubtedly the North Eastern. Possessing a compact territory in which it had practically no competition, carrying a freight, and especially mineral, traffic of great value and intensity, it had long been conducted with conspicuous ability and enterprise, contracting practically no alliances and occupying financially a leading position among British railways. First acquiring the relatively small but strategically important Hull and Barnsley system, the North Eastern took the lead in the amalgamation negotiations for the group, as did the North Western in the other group. The other constituents in England were the three "Greats—" the Great Central, Great Eastern, and Great Northern—which before the war had already entered into a close working agreement. All three were trunk lines from London, the Great Central being the last to reach the metropolis, and only just beginning to reap the fruits of this somewhat costly development. The Great Eastern had very heavy suburban traffic and also served the agricultural and other industries and coast resorts of the Eastern counties. The Great Northern, besides tapping the principal industrial centres, formed the main portion of the East Coast route to Scotland. The East and West Coast routes respectively are now provided by the two premier groups. The Scottish constituents are the important North British system and the Great North of Scotland Railway. The Great Northern, North Eastern and North



The London and North Eastern Railway System.

British form a continuous main route through the industrial north to Scotland, carrying especially a dense iron, steel, coal and other heavy freight traffic, and the system has also the advantage of two other trunk routes via the Great Central and Great Eastern. There are also about 300 miles of canals. The total route mileage of line is about 6,600 miles.

The company claims to be the largest dock-owning railway in the world, possessing 38 docks with 38 miles of quays, largely equipped with the most modern shipping appliances. Among its more important docks and harbours are those of Grimsby, Harwich, Hull, Hartlepool, Immingham, Lowestoft, Methil, Middlesbrough, South Shields, and Sunderland. On the marine side of its undertaking, as the London Midland and Scottish concentrates on the Irish routes and certain river and lake traffic, so the London and North Eastern naturally devotes special attention to its Continental connections, running steamer services to Holland, Belgium, and Germany, via Harwich, Grimsby, Immingham, Hull and other ports. For this service it maintains six turbine vessels and 16 other large steamships, besides a number of smaller boats. The company also owns over a score of hotels.

The locomotive, carriage and wagon works of the system are at York, Darlington, Shildon, Doncaster, Gorton and Dukinfield (Manchester), Stratford, Cowlairs (Glasgow) and Inverurie. The North Eastern has long pursued a progressive policy in electrical operation and electrification.

The following leading statistics will compare with those given for the L.M. & S. Company. The total capital of the company is about £350 millions. For 1921, the gross receipts from railway operation only were £90,000,000 ; the total expenditure on railway working, £78,500,000 ; and the net receipts, including all items, £14,500,000. The total passenger traffic for the year, apart from journeys

The Great Western Railway System.

represented by 227,000 season tickets, was 232,000,000. The freight traffic included general merchandise, 19,000,000 tons; coal, coke and other fuel, 49,000,000 tons; other minerals, 16,000,000 tons; and live stock, 6,200,000. Proportionately, this will be seen to be heavier than the L.M. & S. figures, and a considerable share of it is contributed by the North Eastern traffic.

The rolling-stock owned by the company includes 7,700 steam locomotives, 20,000 coaching vehicles, 297,000 freight vehicles and 16,500 service vehicles. There are also 140 electric motor and trailer coaches and 13 electric locomotives: others are being built. In 1921 the total engine-miles run, including shunting, were: steam, 132,000,000 miles; electric, 879,000 miles.

The principal headquarters of the company are at Marylebone Station, London, and at York.

The Great Western Railway (see map) is the only trunk line that has retained its identity unaltered in the process of amalgamation. Although six other constituent companies are named in the Act, they in no way compare in extent and importance with the original Great Western; the process was more in the nature of absorption by the latter, differing only in scale from the absorptions of subsidiary companies in the area. While the original Great Western system was over 3,000 route miles in length, the other constituents, Barry, Cambrian, Cardiff, Rhymney, Taff Vale, and Alexandra (Newport and South Wales), totalled only 560 route miles between them. The total route mileage of the new system is 3,800 miles. There are also over 200 miles of canals.

The Great Western had long described itself as "the holiday line," but by its acquisition of the South Wales railways and ports, it has now acquired an industrial character also. Its dock facilities in South Wales are very extensive: it owns the famous Barry docks, the Bute

docks at Cardiff, Alexandra and Town docks at Newport, Penarth docks and Port Talbot docks, and it has now acquired the undertaking of the Swansea Harbour Trust, which completes its chain of docks and harbours in South Wales. The company also owns docks at Aberdovey, Plymouth and other places served by the new Great Western system, and especially Fishguard harbour, whence it runs the Irish steamer service connecting with Rosslare harbour and railway. A steamer service is also run from Weymouth to the Channel Islands.

The principal locomotive and wagon works are at Swindon, but smaller works have been taken over at Barry, Cardiff, Oswestry and other places.

The following statistics are given for comparison with the other companies. The total capital of the company is over £140,000,000. For 1921 the gross receipts from railway operation only were £45,500,000; the total expenditure on railway working, £38,500,000; and the net receipts, including all items, £8,100,000. The total passenger traffic for the year, excluding that represented by 85,000 annual season tickets, was 112,321,000. The freight traffic included general merchandise, 8,000,000 tons; coal, coke and other fuel, 27,000,000 tons; other minerals, 5,600,000 tons; and live stock, 2,300,000 head.

The rolling-stock owned by the company includes 4,050 steam locomotives, 10,100 coaching vehicles, 90,000 freight vehicles, and 9,700 service vehicles. There were 60 electric motor and trailer coaches and 70 rail motor cars. In 1921 the total engine-miles run, including shunting, were 74,500,000 miles. The steamships owned comprise three turbine vessels and 13 other steamers. The company also controls about a dozen hotels.

The principal headquarters of the Company remain as originally at Paddington, and for the reasons indicated, no great changes have been necessitated in the organisation.

The Southern Railway (see map), smallest of the "Big Four," occupies, as will be seen, a compact territory in the South of England, only penetrated in the Western half by the Great Western Railway, and not itself encroaching upon the spheres of its neighbours. It is composed of three partners, of which the biggest, the London and South Western, was approximately equal in extent to both the others, the South Eastern and Chatham and Brighton railways. The total route mileage of the Southern system is 2,200 miles. Primarily, the Southern railway is a passenger-carrying system, serving all the holiday resorts of the Kent and South coasts and the Isle of Wight, as well as, in conjunction with the Great Western, Devon and Cornwall; but it owns an important dock system, especially in Southampton docks, and has close connexions with the continent and with the Channel Islands. Doubtless the South Eastern portion will grow in importance with industrial developments in Kent, apart from the question of the construction of the Channel Tunnel. A great portion of this system lends itself to electrical working, and schemes are already in hand for the electrification of the whole of the Brighton line and of considerable portions of the South Eastern and South Western sections.

In addition to Southampton, there are docking and wharfing facilities at Bideford, Plymouth, Littlehampton, Newhaven, Folkestone, Dover, on the Thames and at Gravesend, Port Victoria and Queenborough. The Company owns wholly and jointly 17 turbine vessels; 21 other steamers and a number of smaller boats. The locomotive, carriage and wagon works are at Eastleigh (near Southampton), Brighton, Lancing, and Ashford (Kent).

Leading statistics are as follows:—The total capital of the Company is about £145,000,000. For 1921, the gross receipts from railway operation only were £33,000,000, the

The Southern Railway System.

total expenditure on railway working £28,500,000, and the net receipts, including all items, £5,500,000. The total passenger traffic for the year, excluding that represented by season tickets, was 171,470,000. The equivalent annual season tickets issued numbered 167,000, naturally heavy in proportion to the mileage in view of the residential character of a large part of the system. The freight traffic included general merchandise, 4,000,000 tons; coal, coke and other fuel, 950,000 tons; other minerals, 2,100,000 tons; and live stock 1,100,000 head.

The rolling stock owned by the Company includes 2,390 steam locomotives, 10,800 coaching vehicles, 37,500 freight vehicles and 2,280 motor vehicles. There are at present 460 electric motor and trailer coaches, but doubtless this number will soon be increased. In 1921, the total engine miles run, including shunting, was 54,000,000 miles.

The principal headquarters of the Company are at Waterloo, a commodious and magnificent station recently rebuilt, but this company is notable for the number of its metropolitan termini.

The management of British railways up to the present has followed generally what is known as the "departmental" plan of organisation, each departmental chief being responsible, under the general manager, for all matters appropriate to his department throughout the system. In this it differs from the "divisional" system largely practised in America, which divides up the railway network into regions or divisions under responsible divisional chiefs, separating the various functions, e.g. operating and motive power, engineering, and commercial, in each division under its proper officer reporting to the chief of division, and exercising only a general control from headquarters.

In this country, the North Eastern had long adopted an

organisation which approximated somewhat to the American plan, and it is obvious that one effect of the amalgamations will be to oblige the new companies, especially the London Midland and Scottish and the London and North Eastern, with their vastly enlarged systems, to modify their organisation in the direction of decentralisation and divisional responsibility. Indeed, in the provisional plans issued by these companies, this principle has already been recognised.

The interim organisation of the London Midland and Scottish Company, operating from January, 1923, provides for a Chief General Superintendent's Department, subdivided into three divisions, each under a divisional general superintendent responsible for the whole of the administration and working of the traffic by rail, road and water, and of all commercial questions in connexion therewith throughout the division, and reporting to the Chief Superintendent. In each division, the various departmental operating officers will report to the chief of division. Motive power is also allocated to the divisional superintendents. The three divisions are :—

(*a*) Western, comprising the whole of the London and North Western, Lancashire and Yorkshire and other constituent and subsidiary lines with the area.

(*b*) Midland, comprising the old Midland system and subsidiary lines.

(*c*) Northern, comprising all constituent and subsidiary lines falling within the group in Scotland.

Departments under a Chief Goods Manager, Mineral Manager, Chief Engineer, Chief Mechanical and Electrical Engineer and other chief officers are also created, and all these departments are based on a divisional organisation. There is a General Manager and a Secretary at Euston, with at present a Deputy General Manager for Scotland at Glasgow. Doubtless many modifications in the existing arrangements will take place when the final organisation is settled.

The London and North Eastern company also announced that, from January, 1923, for the purposes of administration the system would be divided into the following areas :—

(1) Scottish, consisting broadly of the North British and Great North of Scotland systems and subsidiaries, with headquarters at Edinburgh.
(2) North Eastern, consisting approximately of the combined North Eastern and Hull and Barnsley systems, with headquarters at York.
(3) Southern, comprising the Great Central, Great Eastern and Great Northern railways and subsidiary lines, with headquarters at Liverpool Street, London.

These areas would be administered, subject to the direction of the Chief General Manager, by divisional general managers responsible for all matters within their respective areas. In the Scottish and North Eastern areas, this will probably entail little internal change in structure for some time, but in the Southern area, the different organisations of the three " Greats " will have to be welded into one homogeneous system. The Chief General Manager, legal, secretarial and other chief officers, have their headquarters at Marylebone, London.

As regards the Great Western, there has not been, as we have seen, the same need for reorganisation, since the additions have been more in the nature of absorptions into the parent system, but even here some divisional delegation has been found desirable, especially in the South Wales area, and doubtless this principle will be extended in time.

The Southern Railway organisation has been longest delayed, the South Western and South Eastern systems being still operated separately under a joint general managership ; but this is purely a temporary expedient and it may be expected that the system will shortly be reorganised under one general manager controlling an organisation approximating perhaps more nearly to the Great Western type, but based on divisional responsibility.

The effects of amalgamation upon the organisation, traffic and working of the four systems will doubtless be gradual, but they are already beginning to be felt in various ways, and progress in the direction of increased efficiency and economy may be expected to be steadily maintained. Sir Eric Geddes estimated that the savings possible from amalgamation would ultimately be in the neighbourhood of 25 millions a year. However that may be, there are undoubtedly many directions in which considerable economies may be sought, apart of course from those arising directly from reduction of directorates and separate managements. Much can be effected in the direction of standardisation of locomotives and rolling stock, in the reorganisation and reduction of building and repairing establishments, in the improvement of coal traffic and shipment, in the common user of wagons and coaching stock, in the rearrangement of schedules and provision of through services, and especially in the extension of the excellent system of train control, in the simplification of accountancy, statistical and clearing system work, and in many other economies and improvements of minor but cumulative importance. Better connections and through booking facilities are already available, and many new through services are being introduced. One effect of the new régime introduced by the Railways Act, especially in regard to rates and charges, will be to bring about a greater measure of co-operation between the railways and the trading and travelling communities, a co-operation which cannot fail to conduce to the interests of both parties.

It must be borne in mind, however, that some of the improvements which will follow upon amalgamation will entail, at least for a time, heavier expenditure and especially new capital outlay, although they will ultimately produce economies and result in increased traffic and greater

revenues. Developments will have to take place on all four systems, bridges and other structures and permanent way may be improved and standardised, and maintenance and other work levelled up on the smaller lines. Especially will amalgamation accelerate the progress of electrification, and this will doubtless be one of the most important developments in British railway working in the immediate future. There is still much that can be done in the improvement of the steam locomotive, in the adoption of appliances such as the booster, in the possible use of the internal-combustion engine, and in increasing the efficiency of steam operation, as was recently proved by the Great Eastern; but there is no doubt that electrical operation offers the most efficient and economical method for suburban services, and possibly for heavy main line traffic, and electrification is extending throughout the world.

Chapter VIII.

Railway Amalgamation in Other Countries.

Transport in all the leading countries has inevitably been seriously affected by the war, and especially by the post-war economic situation. In Great Britain, although her railways survived the struggle in a much better condition physically and financially than those of any other country involved, the results of Government control and of the post-war position undoubtedly accelerated amalgamation, since it was impossible for the railways to return to their pre-war basis. Similar conditions operated with far greater force, although necessarily with different results, throughout Europe, and even also in America, where indeed the railway problem was already growing acute before the United States' entry into the war.

So far as actual physical damage was concerned, the railways of the belligerent countries made steady and, on the whole, rapid recovery after the war, except in Russia, owing to the effects both of the war and of the subsequent revolution, and in the countries formerly constituting the Austro-Hungarian Empire, where the political partition necessarily retarded reorganisation, although the efforts of Sir Francis Dent's international rolling-stock commission greatly relieved the situation. Financially, however, in consequence of the general economic upheaval and of labour and other difficulties, transport throughout

Europe presented serious problems which each country endeavoured to solve in its own fashion.

In most European countries, the railways are State-owned, and this necessarily differentiated the problem from that which had to be met in this country and in America. In Prussia, before the war, the State railways had been economically successful, but now throughout Germany, and apart from serious operating and labour difficulties, the railways presented very heavy deficits. In France, where though the permanent way is owned by the State the larger systems are leased to companies, adverse financial conditions also prevailed. Only the Northern lines had actually suffered physical damage during the war, as had also of course parts of the Belgian State railways, but these quickly recovered. In Italy also the railway problem had become a grave one. In all these countries, a strong tendency revealed itself towards what was termed "industrialisation," an endeavour to place the State systems on an independent financial basis, approximating as nearly as possible to commercial conditions, and removing the administrations, to some extent at least, from direct political control. In Germany, indeed, apparently the opposite course was at first followed, and subsequent somewhat drastic proposals for industrialisation did not succeed, but here too, financial and administrative autonomy is sought, although it is difficult to see in what precise form this will survive the present economic crisis in Germany.

Certain countries will now be considered separately, special attention being directed to the United States, where the problem to be solved, while of greater proportions, is similar in many respects to that which has now, it is to be hoped, been successfully tackled in Great Britain. Only in America, Ireland and India is amalgamation as understood here proposed; but the measures

of unification and decentralisation proposed or carried out in the other countries referred to may be of interest in studying this problem.

Belgium.

In 1922, the Budget Committee of the Belgian Senate reported that "in face of the huge deficits on account of the railways, the necessity for their industrialisation makes itself felt more keenly than ever before." As the result of a special commission appointed in 1918 to examine the railway position, a Bill has been prepared, having for its objects :—

(1) Financial autonomy of the railways, coupled with industrial methods of accounting ; and
(2) Administrative autonomy : the railways to be governed by a Council of Administration and a General Executive, which should be decentralised.

The intervention of Parliament would be restricted to constitutional questions and general policy, and it would possess no right of initiative on the Administrative Council.

The Bill creates a "Régie" to which is transferred the working of the railways, and which in its turn delegates this function to an Administrative Council and a General Manager. The Council is given very extensive powers, but is subordinated, so far as concerns the application of the laws, decrees and regulations affecting railways, to the Minister of Railways, who can also exercise a right of veto upon acts contravening the public interest. The State can order the Régie to undertake works of construction or extension, or the reduction of tariffs, provided an equitable indemnity be paid to the railway account. The value of the railway property is to be fixed at its actual cost by a commission. The budget is to be prepared by the Administrative Council for submission to Parliament, and thereafter it has full liberty as to the disposition of the funds. Loans, except short term, must be authorised by

law. Surplus funds in good years are to be utilised for the creation of a reserve fund of 100 million francs, to meet deficits and for other purposes. A business system of accounting is to be introduced and decentralisation and economy are to be pursued in principle throughout the administration. It remains to be seen what measure of success these proposals, if they are passed by the legislature, will secure in practice.

France.

During the time when the Ministry of Transport was preparing legislative proposals for dealing with the British railway problem, and the Esch-Cummins Transportation Act of 1920 was passing through the United States Congress, the French Parliament was also considering means for dealing with the railway difficulties of that country. These deliberations resulted at last in a measure which became operative in January, 1922.

Of the six principal railway systems in France, the Nord, Est, P.-L.-M., Orleans, Midi and Ouest, five are worked by companies, and only the last, the Western, is operated by the State. Before the war, only half these systems, the P.-L.-M., Nord and Est, were in a satisfactory financial condition. Throughout the war and post-armistice period, naturally a tremendous strain was thrown upon the transport system of France, and not until 1918 were civil rates allowed to be raised, the military tariffs remaining at pre-war level until after the armistice. Meanwhile, prices and operating costs had risen enormously, and deficits consequently had increased in proportion. Three of the companies had recourse to the State guarantee, while the Treasury had to bear the losses of the State lines. The companies also claimed compensation from the Government to the amount of nearly 7,000 million francs. A settlement of the problem therefore became imperative.

Broadly speaking, the solution adopted, whilst not attempting actual amalgamation, provides a measure of " unification " of the six principal systems. Whilst maintaining the separate organisations of the companies for operating purposes, the French Railway Law unites them for purposes of financial administration, uniformity of technical operation and standardisation of equipment and wages. It gives them means for development, especially in the direction of electrification, and at the same time associates with them representatives of the community and preserves to the State large powers of control of rates and policy, whilst representatives of the employees are brought on to the management, and machinery is set up for the arbitration of disputes.

For the general supervision of the railway system of the country, there is established a Supreme Council of 61 members, including the President, who is appointed by the Minister of Public Works. Half the Council (including 12 representatives of the employees' unions) consist of delegates of the companies and the State lines, while the other half represent trading and other interests of the general community, also to be appointed by the Government. Below the Council is an executive committee composed of the President and two directors of each line.

The Supreme Council deals with all questions of general policy, extensions, mergers, loans, tariffs, wages, the relations between the systems, and with waterways and other transportation systems. All debts incurred by the companies during the war are cancelled by the State, all claims on the State for compensation are withdrawn, and there is to be created a common fund into which will be paid all revenues in excess of operating expenses and capital charges. The fund will be drawn upon to meet all deficiencies in revenue below running expenses and charges. The rates are to be fixed so as ultimately to

equalise aggregate income and outgoings in 1927, by which time the position is expected to be normal. In the meantime, the railways are invited to borrow from the public, the State assuming four-fifths of the charges on their loans. To prevent the poorer and less energetic systems relying passively upon the guaranteed minimum dividend, there is a provision for the payment of bonuses to lines showing increase of traffic and reduction in the ratio of operating expenses. Two-thirds of all such bonuses are to go to the employees, who are thus given an active interest in the prosperity of the system, apart from their representation on the general administration.

Extensive developments are projected in connection with electrification, and progress is being made in other directions, but time will be needed to show the results in practice of the new regime.

Germany.

Obscure though the present situation in Germany may be, a definite change was effected in the railway system of the German Reich in 1920, the importance of which has probably not been appreciated in this country. Before the war, the railways were largely the property of the individual States. From April 1, 1920, they were, for the first time, truly nationalised, the intention being to unify them as one system for the whole of the Republic, under the general direction of a national Ministry of Transport, with extensive powers of control.

The German railways not only deteriorated during the war, but suffered also from the enormous post-war increases in prices of material, and from the cost of a greatly increased personnel of reduced efficiency, in addition of course to the burden placed upon them by the Treaty of Versailles in requiring the surrender to France and Belgium of 5,000 locomotives and 150,000 wagons.

Towards the end of 1922, the reorganisation of the railway system was undertaken, in pursuance of which a "Railway Finance Bill" was introduced into the Reichstag. The essential basis of the whole reform was stated to be the financial self-sufficiency of the railways. The Railway Minister's responsibility to the legislature is restricted to observance of the general laws regulating the railways and fulfilment of the duties imposed upon them. The railway administration is to be entrusted with full responsibility for the conduct of the railways without political interference. For legislative control is to be substituted more expert control, to be exercised through an administrative council composed of 36 members, representing the Government, the personnel (including the employees, who are already organised in "works councils") and the industrial community. The functions of this body are partly executive and partly advisory, and include the preparation of the budget and annual accounts, the sanctioning of loans, and other administrative questions.

The railways are to form a separate property of the Reich, with entirely separate rights and obligations. The continuous control from above over every act of management previously practised is to be abandoned, and a policy of decentralisation is to be pursued, so that as far as possible the power of decision is delegated to that office which is concerned with the working out of the particular object in view.

The railway staff is to be diminished by a more rational application of the eight-hours' day, and by computing the waiting time in a different manner from working time. The remuneration of labour will be arranged as far as possible according to the amount of work done.

Such were the broad outlines of the process of reorganisation which it was intended to carry out before recent political events interfered to delay the programme, and it

is probably along some such lines, in accordance with German political instinct, but with the difficulties of the problem gravely accentuated, that progress will be resumed when the political situation admits.

United States.

The railway problem in the United States displays so many points of resemblance to that which confronted this country, and the measures adopted or proposed for dealing with it are so similar in many respects to those now carried into effect in Great Britain, that the subject deserves consideration in somewhat more detail than can be given to other countries.

Before the war a steadily decreasing rate of return on railway investments in America caused serious financial distress and a marked decline from the normal rate of development of railway facilities, equipment and service. These conditions reached a climax in 1915, when 42,000 miles, or one-sixth of the entire railway mileage of the country, was in the hands of receivers, and a much larger proportion was in a very unsatisfactory financial and operating position. War traffic brought a large increase in freight tonnage, but many of the systems were not in a condition to bear the heavy traffic burden suddenly imposed upon them.

To meet the emergency, the railways first tried voluntary unification for operating purposes, under a railroad war board organised by the American Railway Association, but this proved unsatisfactory, and following the example of Great Britain, the United States Government took over the control of the railways as from January 1, 1918. The control was exercised departmentally, under a Director-General responsible to the President, but the directors were all selected from the railway service, and little change was made in the organisation or personnel of individual

railroads. To meet the increased labour and other operating costs, an advance of 25 per cent. in freight rates and about 20 per cent. in passenger rates was made operative from June, 1918. Federal control was continued until March 1, 1920, when the railroads were returned to private management under the terms of the Transportation Act, known as the Esch-Cummins Act, of that year.

This Act substantially amended the original Interstate Commerce Act of 1887. During the first six months, the Government continued the guaranteed rentals paid during the period of control. From September, 1920, the Interstate Commerce Commission was directed to establish rates so that on the basis of current costs, and under economical and efficient management, the railways would yield a net operating income sufficient to pay a fair rate of return upon the value (to be ascertained) of the railway properties held for and used in the service of transportation. For the first two years the fair rate of return was fixed at 5½ per cent., with an extra ½ per cent. to make provision for improvements chargeable to capital account. For the purpose of fixing rates to yield this return, the Commission divided the railways into three groups—eastern, western and southern—since different rates would be required to produce the average return in these regions. No relief is provided where a railway earns less than 6 per cent., but when more than 6 per cent. is earned the excess is to be evenly divided with the Government. The railway is to hold its proportion of such excess in a reserve fund, while the Government's half is to be held as a general railway contingent fund to be administered by the Commission in assisting the weak companies by loans. The reserve fund created by a railway from its excess earnings is to be held for interest charges or dividends in lean years, but whenever that fund is more than 5 per cent. of its property value,

the excess over 5 per cent. may be used for any lawful purpose.

A Railroad Labour Board was created to determine questions of wages and working conditions, and this Board granted further wage increases in July, 1920. Such awards are, however, subject to revision in accordance with the cost of living. It should be added that so far the railways have not in any case been able to earn the six per cent. prescribed by the Act upon the rates fixed by the Commission.

Further clauses provide for the ultimate elimination of the weak railways by their fusion with the strong. Such grouping is intended to preserve a reasonable degree of competition and to maintain as far as practicable the existing routes and channels of trade. It is also intended that the several systems should be so arranged that the cost of transportation as between competing systems, and as related to the value of the properties, should be approximately the same, so that these systems can charge uniform rates in the movement of competitive traffic, and can earn, under honest and efficient management, substantially the same rate of return upon the value of their respective undertakings.

In accordance with the provisions of the Transportation Act placing upon the Interstate Commerce Commission the duty of preparing a plan for the consolidation of the railway properties into a limited number of systems, the Commission as a first step employed Professor William Ripley, of Harvard, a well-known authority upon American transportation matters, to report upon the subject. After prolonged study, Professor Ripley submitted a report in which he recommended the consolidation of the chief railroads of the United States into 21 systems; five within the trunk line region, two lake-to-tide soft-coal systems in the Chesapeake Bay region, four systems in the

south east, five trans-continental systems west of the Mississippi, and two running south-west towards the Gulf ports. In addition to these, he proposed three outlying regional groups, one in New England, one in the South Michigan peninsula, and one in Florida.

The Commission has now published its own tentative plan of consolidation, preliminary to public hearings, issuing Professor Ripley's report as an appendix (I.C.C. Report, No. 12964). The Commission does not adopt Professor Ripley's recommendations, but presents alternatives thereto, its plan proposing 19 systems comprising most of the Class I steam railroads, and only a few of the Class II and III roads. It is stated that these will be considered at the hearings, so that in the plan ultimately adopted, provision can be made for their inclusion in the grouped systems. The proposed groups are as follows :—

System No. 1.—New York Central.

New York Central.
- Pittsburgh and Lake Erie.
- Rutland.
- Michigan Central.
  - Chicago, Kalamazoo and Saginaw.
- Cleveland, Cincinnati, Chicago and St. Louis.
  - Cincinnati Northern.

Western Maryland.
Fonda, Johnstown and Gloversville.
Lake Erie and Pittsburgh.
Central Indiana.
Pittsburgh, Chartiers and Youghiogheny.
Monongahela.
Boston and Maine.
Maine Central.
Bangor and Aroostook.

And all railway properties controlled by the above carriers through lease, stock ownership, or otherwise, except :—
- Lake Erie and Western, and Toledo and Ohio Central.
- Zanesville and Western, and Kanawha and Michigan.
- Indiana Harbour Belt.

System No. 2.—Pennsylvania.

Pennsylvania.
- West Jersey and Seashore.
- Long Island.
- Baltimore, Chesapeake, and Atlantic.
- Cumberland Valley.
- Maryland, Delaware and Virginia.
- New York, Philadelphia and Norfolk.

Pittsburgh, Cincinnati, Chicago and St. Louis.
- Waynesburg and Washington.

Grand Rapids and Indiana.
Cincinnati, Lebanon and Northern.
Ohio River and Western.
Louisville Bridge and Terminal.
Wheeling Terminal.
Toledo, Peoria and Western.
Lorain, Ashland and Southern.
Lake Erie and Pittsburgh.
Central Indiana.
Pittsburgh, Chartiers and Youghiogheny.
Monongahela.
And all other properties controlled by any of the above carriers under lease, stock ownership, or otherwise, except the Norfolk and Western and railway properties controlled by it, which may be included in system No. 9, Norfolk and Western.

System No. 3.—Baltimore and Ohio.

Baltimore and Ohio.
- Sandy Valley and Elkhorn.
- Staten Island Rapid Transit.

Reading system, comprising the Philadelphia and Reading, Central Railroad of New Jersey, and various others.
Cincinnati, Indianapolis and Western.
Chicago, Indianapolis and Louisville.
New York, New Haven and Hartford.
- Central New England.

Lehigh and New England.
Lehigh and Hudson.

System No. 4.—Erie.

Erie.
- Chicago and Erie.
- New York, Susquehanna and Western.

Delaware and Hudson.
Delaware, Lackawanna and Western.
Ulster and Delaware.

Bessemer and Lake Erie.
Buffalo and Susquehanna.
Pittsburgh and Shawmut.
Pittsburgh, Shawmut and Northern.
Lorain, Ashland and Southern.
Wabash lines east of the Missouri River.

System No. 5.—Nickel Plate-Lehigh Valley.

Lehigh Valley.
New York, Chicago and St. Louis.
Toledo, St. Louis and Western.
Detroit and Toledo Shore Line.
Lake Erie and Western.
Wheeling and Lake Erie.
Pittsburgh and West Virginia.
Bessemer and Lake Erie.

System No. 6.—Pere Marquette.

Pere Marquette.
Detroit and Mackinac.
Ann Arbor.
Detroit, Toledo and Ironton.
Boyne City, Gaylord and Alpena.

System No. 7.—New England,

New York, New Haven and Hartford.
New York, Ontario and Western.
Central New England.
Boston and Maine.
Maine Central.
Bangor and Aroostook.
Lehigh and Hudson River.
Lehigh and New England.

System No. 7a.—New England-Great Lakes.

Same as system No. 7 with addition of the following, which otherwise, with the exception of the Buffalo, Rochester and Pittsburgh may be included in system No. 4, Erie. That carrier may be included in system No. 5, Nickel Plate-Lehigh Valley.
Delaware and Hudson.
Ulster and Delaware.
Delaware, Lackawanna and Western.
Buffalo, Rochester and Pittsburgh.
Pittsburgh and Shawmut.
Pittsburgh, Shawmut and Northern.

System No. 8.—Chesapeake and Ohio.

Chesapeake and Ohio.
    Hocking Valley.
Virginian.

System No. 9.—Norfolk and Western.

Norfolk and Western.
Toledo and Ohio Central.
    Zanesville and Western.
    Kanawha and Michigan.
    Kanawha and West Virginia.

System No. 10.—Southern.

Southern.
    Alabama Great Southern.
    Georgia, Southern and Florida.
    Mobile and Ohio.
    Southern Railway in Mississippi.
    Northern Alabama.
    Cincinnati, New Orleans and Texas Pacific.
New Orleans Great Northern.
Alabama and Vicksburg.

System No. 11.—Atlantic Coast Line-Louisville and Nashville.

Atlantic Coast Line.
    Atlanta and West Point.
    Charleston and Western Carolina.
    Louisville and Nashville.
        Nashville, Chattanooga and St. Louis.
        Louisville, Henderson and St. Louis.
Western Railway of Alabama.
Richmond, Fredericksburg and Potomac.
Norfolk Southern.
Atlanta, Birmingham and Atlantic.
Winston-Salem Southbound.
Roanoke to Winston-Salem branch of Norfolk and Western.
Florida East Coast.
Carolina, Clinchfield and Ohio.
Georgia and Florida.
Gulf, Mobile and Northern.
Mississippi Central.

System No. 12.—Illinois Central-Seaboard.

Illinois Central.
    Yazoo and Mississippi Valley.
    Central of Georgia.
Seaboard Air Line.

Lynchburg, Va., to Durham, N.C., branch of Norfolk and Western.
Gulf and Ship Island.
Tennessee Central.
Carolina, Clinchfield and Ohio.

System No. 13.—Union Pacific-North Western.

Union Pacific.
St. Joseph and Grand Island.
Oregon Short Line.
Oregon-Washington Railroad and Navigation Company.
Los Angeles and Salt Lake.
Chicago and North Western.
Chicago, St. Paul, Minneapolis and Omaha.
Lake Superior and Ishpeming.
Wabash lines west of the Missouri River.

System No. 14.—Burlington-Northern Pacific.

Chicago, Burlington and Quincy.
Northern Pacific.
Chicago Great Western.
Minneapolis and St. Louis.
Spokane, Portland and Seattle.

System No. 15.—Milwaukee-Great Northern.

Chicago, Milwaukee and St. Paul.
Great Northern.
Chicago, Terre Haute and Southeastern.
Duluth and Iron Range.
Duluth, Missabe and Northern.
Green Bay and Western.
Spokane, Portland and Seattle.
Butte, Anaconda and Pacific.

System No. 16.—Santa Fe.

Atchison, Topeka and Santa Fe.
Gulf, Colorado and Santa Fe.
Colorado and Southern.
Fort Worth and Denver City.
Denver and Rio Grande.
Western Pacific.
Utah Railway.
Northwestern Pacific.
Nevada Northern.

System No. 17.—Southern Pacific-Rock Island.

Southern Pacific Company.
Nevada Northern.
Chicago, Rock Island and Pacific.
Chicago, Rock Island and Gulf.
Arizona and New Mexico.
El Pasio and Southwestern.
San Antonio and Aransas Pass
Trinity and Brazos Valley.
Midland Valley.
Vicksburg, Shreveport and Pacific.
Chicago, Peoria and St. Louis.

System No. 18.—Prisco-Katy Cotton Belt.

St. Louis-San Francisco.
St. Louis Southwestern.
Louisiana Railway and Navigation Company.
Chicago and Alton.
Missouri, Kansas and Texas.
Trinity and Brazos Valley.
San Antonio, Uvalde and Gulf.

System No. 19.—Chicago-Missouri Pacific.

Chicago and Eastern Illinois.
Missouri Pacific.
Kansas City Southern.
Kansas City, Mexico and Orient.
Kansas, Oklahoma and Gulf.
Texas and Pacific.
Fort Smith and Western.
Louisiana and Arkansas.
Gulf Coast Lines.
International and Great Northern.

A recent correspondent of the American *Railway Age* has instituted an interesting comparison of British and American methods of amalgamation. Alluding to the editorial suggestion that "a study of British practice might be of value to railway officers in this country who are interested in the subject of consolidation," he points out that there are four features of the Railways Act of 1921 well deserving study in America: (1) the ease with which everything has been done by Parliament as

compared with the legal difficulties in America ; (2) the elimination of competition in service as well as rates ; (3) the incorporation of new companies instead of continuing the old (this does not apply to the Great Western) ; (4) placing the basis of rates of the railroads not on physical value, nor cost, nor cost less depreciation, but on the earning power of 1913. He then gives a synopsis of the Railways Act and proceeds :—

" In England this Act of Parliament is a *fiat* and the railroads must obey. In that country no court can set aside an Act of Parliament as unconstitutional. In the United States our written constitution very wisely controls Congress and hence courts may set aside unconstitutional Acts of Congress. In this country an Act of Congress, similar to the British Act, would be unconstitutional, as depriving railroads of their property without due process of law ; *i.e.*, forcing the railroads to transfer their property to a consolidated company for stock and bonds of the latter, instead of condemning. Condemnation means an award in cash ; payment cannot be made in stock, bonds or other promise to pay in the future.

" Hence in the United States the same result will have to be accomplished in a different way, if at all. One way is the way now being pursued, namely, voluntary consolidation, approved by the Interstate Commerce Commission. That way is slow and so far the results have been disappointing, owing largely to the effort to preserve competition as required by the Act of Congress.

" Another way and the way which in the end will probably be adopted, will be this same English way to the extent of the incorporation by Congress of several railroad corporations ; regional in their territory ; non-competitive in rates and service ; and authorised to issue stocks and bonds in exchange for existing stocks and bonds, on a basis to be approved by the Interstate Commerce Commission. The difficulty will be in inducing present stockholders and bondholders to exchange their holdings for the new stocks and bonds. The inducement will have to be not a greater return (because the public will evidently not sanction more than a very reasonable return), but greater assurance of reasonable dividends and of interest. There are those who go to the length of saying that the Government, having taken control of rates and wages, should now take control of and be responsible for dividends, by allowing rates to be high enough to pay reasonable dividends ; and that this can best be accomplished by organising a Federal

Railroad Board and giving it sole control over rates, wages and dividends; the last being made legal by having the Board elect the boards of directors of new federal railroad corporations, the stock of which shall be non-voting. This would place squarely on the Government the sole responsibility for fair rates, wages and dividends. If dividends were not paid the public would suffer from lack of facilities, due to unfair treatment of investors. 'You have exercised the powers; now take the responsibility.'

"Consolidations are at present blocked chiefly by insistence on competition in service. The English have frankly abandoned that theory and even the American public is slowly realising that competition in service is waste and means duplicate trains, round-about routes, terminal monopolies increasing terminal expenses of competitive lines, discriminations and secret rebates. When the *fetish* of competition is abandoned in this country, federal incorporation will come as the proper mode of consolidation."

With this clear and forcible expression of opinion from a responsible American source, we may leave the subject of railway amalgamation in the United States.

Canada.

Across the transcontinental border in Canada, the railways in 1921 had become consolidated into two great systems, the Canadian National Railways, owned by and operated on behalf of the Dominion Government, and the Canadian Pacific system, under private management.

After the war, the Canadian Northern system found that it was unable to sell its bonds to complete its transcontinental system, while the Grand Trunk could not meet its interests and other obligations in connection with the Grand Trunk Pacific or cope with the increased working costs arising out of war conditions. Repeated appeals were made to the Government for financial aid, and a Royal Commission was appointed to enquire into the whole railway situation of Canada. The Commission recommended that the Canadian Northern should be taken over by the Government, amalgamated with the national railway system, and operated under a board of directors. They also recommended a system of operation for the Grand Trunk and

Grand Trunk Pacific, if and when these systems were also acquired by the nation. In June, 1918, the Canadian Northern was taken over by the Government, and the balance of capital stock, amounting to £60,000,000, not in the hands of the Government, was acquired on valuation for £10,800,000. The Grand Trunk, meanwhile, desired to be relieved of its obligations in connection with the Grand Trunk Pacific and National Transcontinental systems. In the Autumn of 1921, an Act was passed authorising the acquisition of all the capital stock of the Grand Trunk system, the Government however guaranteeing four per cent. dividends, as well as interest upon outstanding Debenture Stock. The value of the Preference and Common Stocks (up to a maximum of £2,500,000) was to be determined by a Board of Arbitration, and a Committee of Management was appointed to operate the railways in harmony with the Canadian National system. The arbitration board eventually reported by a majority that " no value " attached to the common and preference stocks, and the Government adopted this report.

In 1919, an Act had been passed constituting the Canadian National Railway Company, which is in effect a company organised to carry on the State railways on behalf of the State. To this company was entrusted the operation of the national railways, namely, the Canadian Government, International, National Transcontinental, Prince Edward Island and other State-controlled lines, the Canadian Northern, Grand Trunk Pacific and Grand Trunk systems. Together, these systems comprise over 22,000 route miles of line, operating in every province of the Dominion, and including about 56 per cent. of the total railway mileage of Canada. The great bulk of the remainder belongs to the Canadian Pacific Railway. Under a scheme published in March, 1923, the National system has been divided into three regions, Atlantic, Central and Western, for operating

purposes, and a new organisation, termed a strengthened Divisional Scheme, has been introduced. It is intended to give each region as much autonomy in regard to local control as is consistent with efficient principles of administration. Sir Henry Thornton, formerly General Manager of the Great Eastern Railway in England, whose railway training was obtained in America, and who served with distinction in the British Army during the war, has been appointed Chairman and President of the National system.

In Canada, therefore, the student of railway economics will have an opportunity of considering the progress and results of an experiment upon a great scale in the conduct of a transportation system nearly evenly divided between ordinary commercial management and operation of national railways by a company which is virtually a State Railway Board.

Ireland.

The railway situation in Ireland is complicated by the political partition of the country. As we have seen in an earlier chapter, Irish railways were taken under Government control in the same way as the railways in Great Britain, although at a later date, and like the British railways, they were returned to their owners on August 15, 1921, the sum of £3,000,000 being allocated as compensation.

Long before the war, in 1911, a Vice-Regal Commission had reported by a majority in favour of the nationalisation of Irish railways. After the coming into force of the Government of Ireland Act, both the Northern and the Free State Provisional Governments appointed commissions to investigate the railway position in their respective territories.

The Free State Commission, which reported first,

recommended the purchase of the railways, and their operation on behalf of the State by a politically independent board representing the interests most vitally affected. The conclusions arrived at were as follows :—

(1) The railways, considered as mere private concerns, have not been badly managed.
(2) The management for private gain frequently conflicts with public interest, and where it does the former naturally prevails.
(3) Complaints that the railways are hampering industries are made again and again. There is no faith in Irish railway management.
(4) Pre-war dividends were largely the result of underpaid labour.
(5) Fares and rates are at a level which does much damage to the trade and commerce of the country, and the conditions are such that railway companies under existing conditions cannot appreciably reduce them.
(6) There is graver danger of an immediate conflict between railway labour and the companies.
(7) While unification or grouping of the railways would eventually produce considerable economy, yet the relief would not be immediate, and would not be adequate to meet the situation.
(8) Baronial guaranteed lines are run at a high loss, and the burden on the guaranteeing areas is intolerable.
(9) The Dublin and South Eastern must, some time or other, be brought more inland south of Bray.
(10) The choice before the Government seems to lie between two alternatives, namely : (*a*) to allow the companies as they stand, or unified, or grouped, to fight out the questions in dispute with labour ; or (*b*) to subsidise or acquire the railways.

The latter alternative, as stated, was recommended for adoption.

The Northern Commission, whose report was issued in December, 1922, decided by a majority against the nationalisation of the railways in that territory, 1,240 miles in all. Their conclusions were as follows :—

(1) That the best means of working the railways of Northern Ireland in the future is by the continuance of the present well-established and competitive system of private management.

(2) That absorption of the Clogher Valley Railway by the Great Northern (Ireland) Railway and of the Ballycastle Railway by the Midland Railway (Northern Counties Committee) be recommended, in their mutual interests, to the undertakings concerned.

(3) That the companies should consider jointly from time to time how far the use in common of rolling-stock, plant and other equipment can be further extended.

(4) That immediate steps be taken, after consultation between the railway companies, the railway trade unions, and appropriate Government representatives, to set up conciliation machinery to deal with questions relating to salaries, wages and conditions of service, such machinery to be designed, in a suitably modified and simplified form, on the lines of that established for the railways of Great Britain under the Railways Act, 1921.

(5) That the conciliation machinery when established be recommended to examine forthwith whether, and if so, to what extent it would be possible for the railways in Northern Ireland to pay the same rates of wages as obtain on the railways of Great Britain, having regard to comparable classes of employment, in conjunction with the question of suitable classification of the various grades of railway employees, and, so far as conditions of service are concerned, with the question of a generous extension of the application of the " spread-over " principle.

(6) That a Railway Rates Tribunal constituted on analogous but suitably modified lines to the Rates Tribunal set up for Great Britain under the Railways Act, 1921, and representative of the railway companies and the trading, agricultural, labour and general interests of the community in Northern Ireland be established as soon as possible.

A minority report recommended that the Northern Ireland Government accept the principle of public ownership ; and that, in the event of the Free State Government adopting nationalisation, an arbitration tribunal be appointed by the two Governments jointly to decide upon terms of purchase. The tribunal, in its decisions, should have regard to market values before, after, and during the war.

The Free State Government, after receiving the report of its commission, announced that it would not sanction

State purchase, at least until the companies had had an opportunity of submitting an agreed scheme or schemes of amalgamation, the terms of which would not be inimical to the State. The schemes were to be submitted by the first quarter of 1923, failing which legislation was to be introduced to bring about unification by July 1, 1923. In view, however, of the progress which has been made by the companies, the time limit has been extended. The two principal companies, the Great Southern and Western, and the Midland Great Western, have already agreed upon provisional terms of amalgamation, and negotiations are now in progress with the Dublin and South Eastern Railway for the incorporation of that company in the group. The stocks of the Cork, Bandon and South Coast Company and of several smaller lines have already been acquired by the Great Southern and Western Company. The attitude of the Government is that unification of all the railways should, if possible, be brought about. The eventual solution of the problem will doubtless depend materially upon the political future of the country.

India.

The question of railway amalgamation in India has recently been brought to the front by a paragraph in the report of the Retrenchment Committee presided over by Lord Inchcape, to the following effect :—

> "We are convinced that, in a country like India, with her vast territory and differing people and circumstances, it is an impossibility to control the details of all the railways from Delhi and Simla as at present. Decentralisation is in our opinion essential if the railways are to be developed on economic lines. It is generally agreed that large economies could be effected by grouping the railways on the lines recently adopted by Great Britain, and we recommend that the preparation of a scheme be taken up forthwith. We consider the existing systems could well be amalgamated into, say, five groups, but although certain lines would appear to fall naturally into the same group, some time and study may be necessary to evolve the most suitable and economic scheme."

A possible scheme of grouping which has been suggested is as follows :—

	Main Constituent Companies.
(*a*) Southern Group ..	Madras and Southern Mahratta Railway ; South Indian Railway.
(*b*) Western Group ..	Great Indian Peninsula Railway ; Bombay, Baroda and Central India Railway.
(*c*) Eastern Group	East Indian Railway ; Bengal-Nagpur Railway ; Oudh and Rohilkhand Railway ; Eastern Bengal Railway (broad gauge section).
(*d*) North Western Group..	North Western State Railway.
(*e*) Trans-Ganges Group ..	Bengal and North Western Railway, including Tirhoot State Railway ; Eastern Bengal State Railway (narrow gauge section) ; Assam Bengal Railway ; Rohilkund and Kumaon Railway.

The total route mileage of Indian railways is about 35,000 miles. It has been announced that, when the existing Government contract with the East Indian Railway Company expires at the end of 1924, it is intended to combine that undertaking and the Oudh and Rohilkhand Railway into one system, approximately 4,000 route miles in extent.

A difficulty which arises in connection with railway grouping in India is that, while broadly speaking the majority of the railways are owned by the State, some are directly managed by the State, and others are leased for varying terms of years to companies, the last lease, that of the Bengal-Nagpur company, expiring in 1950. Some solution of this problem must be attempted in devising a scheme of railway amalgamation for India.

Chapter IX.

Conclusion

In the foregoing chapters we have traced the development of the railway system of Great Britain up to its concentration in the hands of four great amalgamated companies. Some railways, it is true, are still independent, but apart from purely urban lines and a few light railways or tramways, it may be taken that, in a short time, all the railways of any importance in this country will be merged in one or other of the groups, or be jointly owned by two or more of the amalgamated companies.

Although special causes have always operated to induce combination amongst railway companies, the movement is, of course, by no means peculiar to them. It has its parallel in the banking world, where the Big Five at present compare with the Big Four, and in the steadily increasing trustification of many of our leading industries. The difference is that in the railway world the final, or at least penultimate, synthesis has been brought about by direct State intervention. Have we reached the end ?

In his book on " English Railways and their Relation to the State " previously quoted, Mr. Cleveland-Stevens, writing before the war, when there were still 14 " great " systems and a large number of smaller lines, said : " Further amalgamations may not unreasonably be expected, and it will naturally follow that if the railways of the country are concentrated in the hands of a still smaller

number of companies than at present, their final amalgamation into one State system will appear all the more necessary, perhaps inevitable; moreover that operation will be the easier to carry out in proportion as the number of companies to be combined under State management decreases. Amalgamation undoubtedly paves the way for nationalisation."

Summing up, he concludes that the central problem, whether the railways remain in private hands or are taken over by the State, is the creation of a permanent Board of Control as far as possible removed from interference by Parliament; and in another place he says, "It is hardly conceivable that an independent Railway Board would ever be established in England," although the history of the railways, he considers, points to that as the happiest solution of the problem. By "independent" in this connection is presumably meant a Board responsible to private proprietors; yet the inconceivable has almost happened. It is true that there is not one Board but four, and that their creation has been accompanied by an extension of public control. But except for compliance with the specific provisions of the Railways Act and other legislative enactments affecting railways, they are certainly independent; and it is evident that for many purposes in future, these four Boards must develop a common policy and act increasingly in unison.

When the railways were handed back to the companies in August, 1921, it was said that, instead of State control, which of course was never more than indirect, private ownership and management was now on its trial. No doubt in this country it will be given a fair and extended trial under the new conditions, and should it eventually appear desirable or necessary to supersede that system, it will probably be found that this can then be achieved with very little change in essential organisation or operation.

It is obvious that some years must elapse before the full results of the reorganisation effected by the Railways Act can be experienced. During that time the new amalgamations will be gradually building up their permanent structure, reorganising their services, eliminating unnecessary duplication, concentrating their establishments, carrying out measures of standardisation, both of permanent way and rolling stock, extending suburban and possibly main-line electrification, developing facilities, and generally realising the economies and improvements anticipated as the result of the Railways Act. The new rates have also to be brought into effect, probably at the beginning of 1925, and some experience gained of their incidence and operation. Relations with the trading community have to be developed on the new basis, the functioning of the local committees now being set up under the Act got fairly under way, and further experience gained of the working of the staff councils and machinery set up under Part IV of the Act. All this takes time: the present is obviously a period of transition, and reliable data does not yet exist for casting the horoscope of the railway system of this country.

It is, however, a fallacy to suppose that the only alternative to private management as at present is management and operation by the State. Probably no intelligent advocate or opponent of nationalisation now contemplates the possibility of the railways being directly run, like the Post Office, by a Government department. Railway nationalisation may now be assumed to mean, essentially, national ownership of railway stocks, the exchange of the present securities of the amalgamated companies for some equivalent in Government bonds. Whatever may be said for or against such transfer politically, it is certain that financially it would not be a difficult or complex operation if, after adequate experience had been gained of

the working of the new regime, the country desired the change to be carried out.

National ownership of the railway system would of course entail some change in its direction. The directors would become responsible to the community generally instead of to that portion which previously held railway shares. It is questionable, however, whether the change would be very great in practice. The transport system of a country must succeed or fail in its purpose in proportion as it renders efficient service to the trading and travelling public, and assists economically in the development of the country's resources. Under national ownership these conditions must equally obtain. The manner in which a transport system should be operated in order best to achieve its purpose is a question not of political principle but of economic expediency. It is manifestly desirable that such operation should not be liable to political interference, save so far as a measure of public control is requisite for the safety and in the general interest of the community.

Should therefore, in the future, a further and final step be taken in the amalgamation of the railways of Great Britain, and the Big Four become One—perhaps a natural end to a process which is already beginning—it will probably be found that when the stocks have been acquired by the State, the problem of management will be solved by the appointment of a single Board of Directors, entirely independent of political influence, and representative of the principal interests concerned with the railways, including of course the railway staffs of all grades and the general travelling public. The actual divisional organisation and operation of the railways under the general direction of the Board will be a matter for expert decision based on the organisation which will then be found in being. The railway staffs themselves, from the managers

and engineers down through all grades, acting through their proper organisations, would doubtless have much to say in the matter. In any case, it is apparent that there is no room for an elaborate State Department, like the original Ministry of Transport, super-imposed upon an autonomous railway organisation and bringing to bear in its control the influence of a Minister necessarily responsible to a Parliamentary majority. While it is no doubt desirable that the Government powers of regulation or supervision in regard to railways should be concentrated in a small branch of the executive, and exercised in conjunction with similar powers relating to other means of transport, so that a fair balance may be held, this calls for no elaborate organisation and may perhaps best be entrusted with other related functions to one of the existing principal departments of State.

Transport organisation is a question not only of national, but of world-wide interest and importance. From the experiments now being conducted in other countries, especially for example in Canada, we can learn much that may prove useful here; just as undoubtedly other countries, particularly perhaps the United States, are watching the results of the great changes which have been carried out in an old and complex transport system by railway amalgamation in Great Britain.

APPENDIX I.

RAILWAYS ACT, 1921.

PARTS I AND II, AND FIRST, SECOND AND THIRD SCHEDULES.
(Dated August 19, 1921.)

PART I.

REORGANISATION OF RAILWAY SYSTEM.

1.—(1) With a view to the reorganisation and more efficient and economical working of the railway system of Great Britain railways shall be formed into groups in accordance with the provisions of this Act, and the principal railway companies in each group shall be amalgamated, and other companies absorbed in manner provided by this Act.

(2) The groups to be formed shall be those specified in the first column of the First Schedule to this Act, and as respects the several groups the railway companies to be amalgamated (in this Act referred to as " constituent companies ") shall be those set out in relation to each group in the second column of that schedule, and the companies to be absorbed (in this Act referred to as " subsidiary companies ") shall be those set out in relation to each group in the third column of that schedule, and the companies constituted by such amalgamation are in this Act referred to as amalgamated companies :

2.—(1) The constituent companies in any group may on or before the first day of January, nineteen hundred and twenty-three, submit to the Minister of Transport (hereinafter referred to as " the Minister ") an amalgamation scheme framed in accordance with the provisions of this Act which has been agreed to by all those companies.

(2) The Minister shall refer to the amalgamation tribunal hereinafter constituted any scheme so submitted to him, and the tribunal, unless it appears to them that the scheme does not conform with the requirements of this Act or that the provisions of this Act relating to the procedure preliminary to the submission of an agreed scheme have not been complied with, shall confirm the scheme.

(3) If the constituent companies in any group fail to submit an agreed amalgamation scheme framed in accordance with the provisions of this Act on or before the said date, a scheme for the amalgamation of the constituent companies in that group shall be prepared and settled in accordance with this Act by the amalgamation tribunal.

3.—(1) An amalgamation scheme under this Act—

(*a*) shall provide for the incorporation of the amalgamated company under an appropriate name, with power to hold land for the purposes of the company, and make such provisions as appear necessary or expedient with regard to the share and loan capital of the amalgamated company and the vesting of the property, rights, powers, duties, and liabilities, whether statutory or otherwise, of the constituent companies; and

(*b*) shall provide generally as to the terms and conditions of amalgamation and for the winding-up of the constituent companies, including the allocation to holders of securities of the constituent companies in substitution therefor and in satisfaction of all claims arising thereunder, of such securities of the amalgamated company, and of such amounts, as may be specified in the scheme; and

(*c*) shall incorporate Part V. of the Railways Clauses Act, 1863, subject to the provisions of this Act; and may incorporate with or without modification any of the provisions of the Companies Clauses Consolidation Act, 1845, and the Acts amending that Act, and such modifications may provide that any committees appointed under section ninety-five of the Companies Clauses Consolidation Act, 1845, may comprise persons who, though not directors of the company, are proprietors and possess such other qualifications (if any) as may be provided by the scheme; and

(*d*) shall give effect to the provisions contained in the Second Schedule to this Act with respect to the direction of the amalgamated company, and may, with the consent of the proprietors, provide for the payment of compensation out of the assets of a constituent company to the directors of the company who suffer loss by abolition of office; and

(*e*) shall contain such provisions with respect to the management of any superannuation, pension, provident, widows' and orphans' and other benefit fund or funds established by any constituent company as may be necessary in consequence of amalgamation, so, however, as to preserve in all other respects the management of such funds unaltered until other provision is made by Parliament; and

(*f*) shall incorporate the provisions contained in the Third Schedule to this Act with respect to existing officers and servants; and

(*g*) may make such incidental and supplemental provisions as appear necessary or expedient in order to give full effect to the provisions of the scheme and the purposes of this Act:

Provided that the scheme may provide for the postponement for a period not exceeding five years, or, if for special reasons the amalgamation tribunal think fit, ten years, of the winding up of a constituent company with or without any change in the name of the company in order to enable such company to continue to exist for the purpose of receiving and holding any securities of the amalgamated company for the benefit of any class or classes of the holders of any loan or share capital of the constituent company or of any company the interest or dividends of which are guaranteed by or secured on the revenues of the constituent company, according to their respective rights and interests in pursuance of and in accordance with any arrangement which may be approved by the amalgamation tribunal and included in the scheme, and during such postponement of winding up a constituent company shall cease to be a railway company within the meaning of section two hundred and sixty-seven of the Companies (Consolidation) Act, 1908, but any securities of the constituent company, which are at the date of amalgamation securities in which trustees are by law entitled to invest trust funds, shall continue to be such securities.

(2) With respect to the Western group the following provision shall have effect :—

(*a*) The amalgamation scheme shall provide for constituting the Great Western Railway Company the amalgamated company, and for amalgamating therewith the other constituent companies in the group ;

(*b*) For the purposes aforesaid, the scheme may provide for increasing all or any of the existing classes of loan and share capital of the Great Western Railway Company, or creating new classes of loan or share capital of that company, with such rights, priorities, and conditions as may be specified in the scheme, and for allocating to the holders of the loan and share capital of the other constituent companies additional and new capital of the Great Western Railway Company so created to such amounts and in such manner as may be provided by the scheme ;

(*c*) Notwithstanding anything in any special Act affecting the Great Western Railway Company, or the holders of any class of loan or share capital in that company, the additional capital of each class shall form part of, and rank *pari passu* with, the existing capital of that class, and any new class of capital may, with the consent of the majority in value of the holders of any class of security affected, rank before any existing class of capital ;

(*d*) Paragraph (*a*) of the foregoing subsection, so far as it relates to the incorporation of the amalgamated company, shall not apply, and paragraph (*b*) thereof, so far as it relates to the

winding up of the constituent companies, shall not apply, to the Great Western Railway Company.

4.—(1) The constituent companies in any group may, on or before the first day of January, nineteen hundred and twenty-three, submit to the Minister a scheme or schemes framed in accordance with the provisions of this Act for the absorption by the amalgamated company to be formed by the amalgamation of those constituent companies of the subsidiary companies which, under this Act, are to be absorbed by that amalgamated company, or any of those subsidiary companies, on terms agreed to by the subsidiary companies to which the scheme or schemes may relate.

(2) The Minister shall refer to the amalgamation tribunal any scheme so submitted to him, and the tribunal, unless it appears to them that the scheme does not conform with the requirements of this Act, or that the provisions of this Act relating to the procedure preliminary to the submission of an agreed scheme have not been complied with, shall confirm the scheme.

(3) If the constituent companies in any group fail on or before the said date to submit one or more agreed schemes framed in accordance with the provisions of this Act for the absorption of all the subsidiary companies which are to be absorbed by the amalgamated company to be formed by the amalgamation of those constituent companies, a scheme for the absorption of any subsidiary company with respect to which an agreed absorption scheme framed in accordance with the provisions of this Act has not been made shall be prepared and settled in accordance with this Act by the amalgamation tribunal.

5. An absorption scheme under this Act—

(*a*) shall provide in such manner as appears necessary or expedient for the transfer to the amalgamated company of all the property, rights, powers, duties, and liabilities, whether statutory or otherwise, of any subsidiary company to which the scheme relates ; and

(*b*) shall provide for the consideration to be given to the subsidiary company or companies, and generally as to the terms and conditions of the transfer, and may provide for the consideration consisting in whole or in part of securities of the amalgamated company ; and

(*c*) shall provide for the winding up of the subsidiary company or companies, and may provide on any such winding up for the holder of any securities of the subsidiary company receiving in substitution therefor and in satisfaction of all claims arising thereunder such securities of the amalgamated company forming part of the consideration for the transfer of the undertaking, and of such amounts, as may be specified in the scheme, and may, with the consent of the proprietors,

provide for the payment of compensation out of the assets of a subsidiary company to the directors of the company who suffer loss by abolition of office ; and

(*d*) shall incorporate the provisions of Part V. of the Railways Clauses Act, 1863, subject to the provisions of this Act ; and

(*e*) shall contain such provisions with respect to the management of any superannuation, pension, provident, widows' and orphans' and other benefit fund or funds established by any subsidiary company as may be necessary in consequence of absorption, so, however, as to preserve in all other respects the management of such funds unaltered until other provision is made by Parliament ; and

(*f*) shall incorporate the provisions contained in the Third Schedule to this Act with respect to existing officers and servants ; and

(*g*) may make such incidental and supplemental provisions as appear necessary or expedient in order to give full effect to the provisions of the scheme and the purposes of this Act.

6. For the purpose of determining the terms and conditions of amalgamation between any constituent companies or of the transfer of the undertaking of any subsidiary company, the amalgamation tribunal shall take into consideration all the circumstances of the case, and in particular the value on a net revenue earning basis of each of the constituent and subsidiary companies as a separate company, and its value as a component part of the amalgamated company : so, however, that regard shall not be had to economies or accretions of traffic or other circumstances tending to enhance its value as such component part attributable solely to the provisions of this Act relating to amalgamation and absorption :

Provided that, in the case of the line of one company being worked by another company under an arrangement whereby a percentage of the gross receipts of the line so worked is payable to the owning company, the amalgamation tribunal in determining the terms and conditions of transfer shall not take into account any higher charging powers than those authorised in respect of the line under the statutory provisions in force in the year nineteen hundred and thirteen.

7.—(1) Every amalgamation scheme and every absorption scheme shall be so framed as to come into operation on the first day of July, nineteen hundred and twenty-three, or such earlier or later date, as the amalgamation tribunal, after consultation with the Minister, may fix :

Provided that each amalgamation scheme shall be deemed to come into operation immediately before the absorption scheme or schemes by which subsidiary companies are absorbed by the amalgamated company formed by the amalgamation scheme.

(2) Before an agreed amalgamation or absorption scheme is referred to the amalgamation tribunal, the scheme shall be submitted to the

proprietors and debenture stock-holders of each constituent and subsidiary company affected thereby in the manner provided in order sixty-two of the standing orders relative to private business in the House of Commons, and that order shall apply accordingly as if the scheme were a Bill, and any statement required by the order to be deposited at the Private Bill Office shall be deposited with the amalgamation tribunal.

(3) A scheme under this Part of this Act shall, when confirmed or settled by the amalgamation tribunal, be binding on all persons and have effect as if enacted in this Act, and where any such scheme provides for the substitution of any securities of an amalgamated company for securities of a constituent or subsidiary company any trustee or other person acting in a fiduciary capacity who at the date of the amalgamation or absorption held and was entitled to hold any securities of the constituent or subsidiary company shall be entitled to hold the securities of the amalgamated company which may be substituted therefor.

(4) No stamp duty shall be payable in respect of any amalgamation or absorption scheme.

(5) Printed copies of every proposed amalgamation scheme and absorption scheme submitted to the Minister or prepared by the amalgamation tribunal in accordance with the provisions of sections two and four of this Act, respectively, shall be placed on sale at such places and at such price as the Minister may direct, and notice that such copies are on sale and the places where they may be obtained shall be published in the London and Edinburgh Gazettes, and no such scheme shall be confirmed or settled by the amalgamation tribunal until the expiration of twenty-one days after the publication of such notice.

(6) Every amalgamation and absorption scheme shall be deemed to be statutory rules within the meaning of the Rules Publication Act, 1893 ; but nothing in this provision shall be construed as making any such scheme statutory rules to which section one of that Act applies.

(7) If as respects any group the amalgamation tribunal postpones the date on which the amalgamation and absorption schemes relating to the group are to come into operation to a date later than the said first day of July, then, during the period of postponement, the undertakings of all the constituent and subsidiary companies in the group may, and shall if the amalgamation tribunal so direct, be used, worked, managed maintained and repaired as one joint undertaking, and the net receipts of the joint undertaking shall be distributed amongst the constituent and subsidiary companies upon such terms and subject to such conditions and in such proportions as may be agreed upon by the several companies with the approval of the amalgamation tribunal or in default of agreement as may be determined by the amalgamation tribunal, and the following provisions of this Act relating to amalgamated companies shall apply as if such joint undertaking were the undertaking

of an amalgamated company and as if the governing body of the joint undertaking were an amalgamated company.

8.—(1) Any two or more constituent companies in any group may, at any time after the passing of this Act, submit to the Minister for reference to the amalgamation tribunal a preliminary scheme for the amalgamation of those companies, or for the absorption by one of such companies of the other or others of them.

(2) A constituent company may, at any time after the passing of this Act, submit to the Minister for reference to the amalgamation tribunal a preliminary scheme for the absorption by that constituent company of any subsidiary company or companies in the same group upon such terms as may be agreed between those companies.

(3) The amalgamation tribunal shall approve any such preliminary scheme so referred to them unless it appears to them that the provisions of this Act relating to the procedure preliminary to the submission of a scheme have not been complied with, or unless, after hearing such of the other constituent companies in the group as desire to be heard, the tribunal consider the scheme to be inconsistent with or prejudicial to an amalgamation scheme for the whole group made in accordance with the provisions of this Act.

(4) Every such preliminary scheme shall, subject to such provisions in that behalf as may be contained therein, come into operation forthwith after it is approved.

(5) Subject to the provisions of this section, all the provisions of this Part of this Act relating to amalgamation and absorption schemes shall, with the necessary adaptations, apply respectively to preliminary amalgamation and absorption schemes except that a preliminary amalgamation scheme shall, instead of giving effect to the provisions contained in the Second Schedule to this Act with respect to the direction of the company, make such alternative provision in that respect as may be agreed between the companies to be amalgamated.

(6) In the confirmation or preparation and settlement of the amalgamation scheme for the group the amalgamation tribunal shall give effect to any preliminary scheme approved by them, but so that the interests of the other constituent companies in the group shall not be prejudiced thereby.

(7) Any company formed by a preliminary amalgamation scheme shall be deemed to be a constituent company for the purposes of this Act in lieu of the companies amalgamated by the scheme, and shall not be deemed to be an amalgamated company within the meaning of this Act.

9.—(1) For the purposes of dealing, in accordance with the foregoing provisions of this Part of this Act, with schemes of amalgamation and schemes of absorption, there shall be constituted a tribunal, to be called the Railways Amalgamation Tribunal (in this Act referred to as " the amalgamation tribunal "), consisting of three commissioners, who shall

hold office until all matters with respect to which they have jurisdiction under this Part of this Act have been settled.

(2) The first commissioners shall be Sir Henry Babington Smith, G.B.E. (who shall be president), Sir William Plender, G.B.E., and George John Talbot, Esquire, K.C., and in the event of any vacancy occurring amongst the commissioners for the time being by death, resignation, or otherwise, before the expiration of the term of office of the commissioners, His Majesty may appoint a person to fill the vacancy.

(3) The amalgamation tribunal shall be a court of record, and have an official seal, which shall be officially and judicially noticed, and may act notwithstanding any vacancy in their number, and two shall be a quorum.

(4) Any commissioner and any person authorised by the amalgamation tribunal may hold such local or other inquiries as appear necessary to the amalgamation tribunal for the purpose of the proper execution of their duties under this Act, and before any such inquiry is held the amalgamation tribunal shall give such public notice as they think best adapted for informing persons affected of the date when and the place where the inquiry will be held.

(5) The provisions of the Arbitration Act, 1889, with respect to—

(*a*) the administration of oaths and the taking of affirmations ; and

(*b*) the correction in awards of mistakes and errors ; and

(*c*) the summoning, attendance, and examination of witnesses and the production of documents ; and

(*d*) the costs of the reference and award ;

shall apply in respect of any proceedings before the amalgamation tribunal, and (except with regard to the correction of mistakes and errors in awards) at any inquiry under this section ; but, save as aforesaid, the Arbitration Act, 1889, shall not apply to proceedings before the amalgamation tribunal or at any inquiry under this section.

(6) The amalgamation tribunal or person holding an inquiry under this section shall take into consideration all objections to an amalgamation or absorption scheme, or in respect of the subject-matter of the inquiry, which may have been lodged by any class or body of persons within the prescribed time and in the prescribed manner and, where any objections have been so lodged, shall hear any objectors whom the tribunal consider entitled to appear.

(7) The amalgamation tribunal may, and if so ordered by the Court of Appeal or Court of Session shall, state in the form of a special case for determination by the Court of Appeal or Court of Session as the case may require, any question of law which may arise before them, and the decision of the Court of Appeal or Court of Session shall be final unless that court give leave to appeal to the House of Lords, which leave may be given on such terms as to costs or otherwise as the Court of Appeal or Court of Session may determine.

(8) Subject as aforesaid, the amalgamation tribunal may, with the approval of the Lord Chancellor and the Lord President of the Court of Session, make rules regulating their own procedure and the procedure at any inquiry under this section.

10.—(1) The amalgamation tribunal may appoint a clerk and, subject to the consent of the Treasury as to numbers, such other officers and servants as they consider necessary for assisting them in the proper execution of their duties.

(2) There shall be paid to the commissioners and to any such clerk, officer or servant as aforesaid such remuneration as the Minister, with the approval of the Treasury, may determine, not exceeding in the aggregate thirty-five thousand pounds.

(3) Any such remuneration and any other expenses of the amalgamation tribunal shall be defrayed in the first instance by the Minister out of moneys provided by Parliament, but on the coming into operation of the amalgamation schemes under this Part of this Act the amount thereof with interest at such rate as the Treasury may appoint shall on demand be repaid to the Minister by the amalgamated companies in such proportions as the amalgamation tribunal may determine.

11.—(1) The Minister shall, out of moneys to be provided by Parliament, place on deposit with Messrs. Glyn, Mills, Currie and Company, bankers in the city of London, the sum of sixty million pounds to the credit of a deposit account entitled "The Railways Compensation Account," and that sum shall be payable by two equal instalments of thirty million pounds each, of which the first instalment shall become due on the thirty-first day of December, nineteen hundred and twenty-one, and the second instalment shall become due on the thirty-first day of December, nineteen hundred and twenty-two, and each such instalment shall be paid within fifteen days after it so becomes due.

(2) The payment of the said sum shall be a full discharge and in satisfaction of all claims which might otherwise have been made by any railway company in Great Britain to which this section applies for compensation under the Regulation of the Forces Act, 1871, the Ministry of Transport Act, 1919, or otherwise arising out of or in respect of the possession by the Crown of the undertaking, railroad, or plant of such railway company or the exercise of the powers conferred by those Acts :

Provided that the rights and liabilities of the Crown or the Minister on the one hand, and of the railway companies on the other hand, under the terms of the agreements or arrangements relating to the possession by the Crown of the railways, shall, so far as regards the making good of any deficiency in the net receipts of the companies (including the payment of interest) up to the end of the period of possession, and in relation to any sums expended and liabilities incurred by the companies in respect of repairs and renewals effected before the end of that period in accordance with the said agreements and arrangements, subsist and continue.

(3) The moneys so placed to the credit of the said account in accordance with the provisions of this section, together with any interest which may accrue thereon, shall, subject to the provisions of the next succeeding section, be distributed amongst the railway companies in Great Britain to which this section applies, in accordance with such scheme or schemes of allocation as may be agreed to by such companies, or, failing agreement, as may be settled from time to time by the amalgamation tribunal, and the amalgamation tribunal shall on request issue under their seal a certificate authenticating any such scheme or schemes as may have been agreed or settled, and Messrs. Glyn, Mills, Currie and Company shall pay to each of the said companies forthwith the amount or amounts allocated to such company in accordance with any such scheme bearing the seal of the amalgamation tribunal, and any sum allocated to any company under any such scheme shall be deemed to become, or to have become, due to the company on the date on which the instalment out of which the sum is payable becomes or became due.

(4) All moneys received by any of the said railway companies in pursuance of any such scheme of allocation may be applied in such manner and in such proportions and at such time or times as the directors of the company may determine as a reserve fund for meeting contingencies, or for repairing improving or maintaining any of the property of the company, or for payment of interest or dividend, or for any other purpose for which the earnings of the company may be properly applied.

(5) Notwithstanding anything in the Income Tax Acts, any sum received by a railway company out of the said account shall not be charged to income tax except so far as any part thereof may, at any time, be applied for the payment of interest or dividends, and the amount so applied shall be assessed and charged to income tax for the year of assessment next following the end of the year or period in respect of which such interest or dividends were paid :

Provided that, if the total amount so applied by the railway companies for the payment of interest and dividends in respect of the three years nineteen hundred and twenty-one, nineteen hundred and twenty-two, and nineteen hundred and twenty-three is less than thirty million pounds, the deficiency (that is to say, the amount representing the difference between the said total amount and the sum of thirty million pounds) shall be assessed and charged to income tax for the year 1924–25.

(6) For the purpose of such assessment, the deficiency shall be apportioned in manner hereinafter mentioned amongst such of the railway companies as have applied for the payment of interest and dividends in respect of the said three years less than one-half of the amount received by them out of the said account, and each such company shall be assessed and charged to income tax on the amount so apportioned to it :

Provided that, where any company so assessed applies for the payment of interest or dividends in respect of any year subsequent to the year nineteen hundred and twenty-three any part of the sums received by it from the said account, so much of the amount so applied as is equal to the amount for which the company was assessed under the foregoing provisions of this subsection shall not be charged to income tax.

(7) For the purposes of such apportionment, there shall, in the case of each of the companies amongst which the deficiency is to be apportioned, be deducted from one-half of the sum received by the company out of the said account the amount applied by that company for the payment of interest and dividends in respect of the said three years; and the deficiency shall be apportioned amongst the several companies in proportion to the amounts of the several residues so obtained.

(8) After an amalgamation scheme comes into operation, any sums received out of the said account, and any amounts applied for the payment of interest or dividends, by a constituent or subsidiary company in the group to which the scheme relates, shall, for the purposes of this section, be treated as having been so received or applied by the amalgamated company formed by the scheme.

(9) All assessments to income tax in respect of sums applied for the payment of interest or dividends, or in respect of an apportioned share of the deficiency under this section, shall be made by the special commissioners of income tax; and the amount of any such assessment shall be paid, collected, and levied in like manner as any other assessment made by the special commissioners.

(10) The railway companies to which this section applies are the railway companies of whose undertakings possession is retained under the Ministry of Transport Act, 1919, up to the end of the period of possession; that is to say, the period, ending on the fifteenth day of August, nineteen hundred and twenty-one, during which possession of those undertakings is under the said Act authorised to be retained by the Minister.

12.—(1) Out of the first instalment of thirty million pounds referred to in the last preceding section—

(*a*) the sum of twenty-four million five hundred thousand pounds shall be forthwith distributed amongst the companies to which the said section applies (other than the companies referred to in subsection (3) of this section) in proportion to the net receipts of those companies, respectively, during the year nineteen hundred and thirteen, covered by the first seven items in account No. 8 of the First Schedule to the Railway Companies (Accounts and Returns) Act, 1911, as already agreed for the purpose of the compensation accounts between the Government and the railway companies (but

excluding any receipts classified as miscellaneous receipts (net) in the said Account No. 8), supplemented by—

(i) the inclusion in such net receipts of any sums placed to the credit of a suspense account in respect of the four per cent. increase in rates out of the revenue of nineteen hundred and thirteen ; and

(ii) the addition of any sums payable by the Government to the said companies respectively for the year nineteen hundred and twenty under the agreements or arrangements aforesaid in respect of interest on capital expenditure ; and

(*b*) The sum of five hundred thousand pounds shall be set aside for the payment thereout of such compensation as may be awarded by the amalgamation tribunal to any of the companies referred to in subsection (3) of this section ; and

(*c*) the sum of five million pounds shall be set aside for distribution subject as hereinafter provided amongst those railway companies to whom the said section applies (other than the companies referred to in subsection (3) of this section) and who are able to show to the satisfaction of the amalgamation tribunal that they have suffered abnormally by the standardisation of rates of pay, hours of duty, and other conditions of service. For the purpose of determining the basis of compensation owing to abnormal increase in working expenses due to such standardisation, the cost of salaries and wages for the last four months of the year nineteen hundred and twenty-one of the railways to which the said section applies compared with the cost of salaries and wages of the same railways for the same four months of the year nineteen hundred and thirteen shall be ascertained and the average percentage increase shall be deemed to be the normal ratio of increase for the purpose of this section. Any company whose ratio of increase is above such normal ratio shall make out a claim showing the extent above the normal ratio of increase to which it has suffered by standardisation during the said four months. The claims of all the companies presenting such claims shall be considered by the amalgamation tribunal, who shall allocate amongst such last-mentioned companies, in proportion to the claim which they may establish to the satisfaction of the amalgamation tribunal, the said sum of five million pounds or such lesser sum as may be sufficient to satisfy such claims as so established ; and

(*d*) any sum remaining out of the two said sums of five hundred thousand pounds, and five million pounds after payment to the various railway companies to whom the said section

applies (other than the companies referred to in subsection (3) of this section) under the two last preceding paragraphs, and including any interest which may have accrued, shall be distributed between the whole of the companies entitled to participate in the said sum of twenty-four million five hundred thousand pounds as if such sums and the interest thereon had been added to the twenty-four million five hundred thousand pounds.

(2) Out of the second instalment of thirty million pounds payable under the said section of this Act—

(*a*) the sum of twenty-five million pounds shall be distributed amongst those companies to whom the said section applies (other than the companies referred to in subsection (3) of this section), and who on the thirty-first day of December, nineteen hundred and twenty, were in arrear in respect of the maintenance and renewal of way and works and/or rolling stock (abstracts A and B set out in the form of accounts scheduled to the Railway Companies (Accounts and Returns) Act, 1911) in proportion to the extent to which they were so in arrear. The amount of such arrear shall be ascertained in accordance with the arrangements agreed between His Majesty's Government and the railway companies in Great Britain in respect of arrears of maintenance and renewal work, as set out in addendum 2 of Command Paper 654 (1920).

(*b*) The sum of five million pounds shall be set aside for distribution subject as hereinafter provided amongst those railway companies who shall have established or shall establish to the satisfaction of the amalgamation tribunal their right to participate in the distribution of the sum of five million pounds mentioned in subsection (1) (*b*) of this section in accordance with the provisions of that subsection except that the words " the year nineteen hundred and twenty-two " shall be deemed to be substituted for the words " last four months of the year nineteen hundred and twenty-one," and the words " year nineteen hundred and thirteen " shall be deemed to be substituted for the words " same four months of the year nineteen hundred and thirteen " in the said subsection ;

(*c*) Any sum remaining out of the five million pounds after payment to the various railway companies under the preceding paragraph, including any interest which may have accrued, shall be divided between the whole of the companies to whom the said section applies (other than the companies referred to in subsection (3) of this section) as if such sum

and the interest thereon had been added to the twenty-four million five hundred thousand pounds referred to in sub-section (1) paragraph (*a*).

(3) No portion of the sum of sixty million pounds referred to in the said section of this Act or the interest thereon shall be allocated to any company which is neither itself conducting its traffic nor maintaining its undertaking unless the tribunal shall determine, on the application of such company, that such company would, but for the provisions of the last preceding section, be entitled to receive compensation from the Minister of the Crown under the Regulation of the Forces Act, 1871, the Ministry of Transport Act, 1919, or otherwise arising out of or in respect of possession of their undertaking by the Crown, but no such application shall be made after the thirtieth day of April, nineteen hundred and twenty-two. The amount of such compensation shall be determined by the tribunal and shall be paid out of the said sum of five hundred thousand pounds.

13.—(1) It shall be lawful for any constituent company and, with the consent of the constituent companies in the group, for any subsidiary company, prior to amalgamation under this Act, with the sanction of the Minister, and notwithstanding any limitation on the powers of borrowing of the company, to borrow on mortage of its undertaking by means of terminable securities to such amount, at such rate of interest, redeemable within such period, and subject to such conditions as the Minister may sanction, with the consent of the majority in amount of the proprietors and of the holders of the existing mortgage securities of the company, at special meetings called for the purpose, but the amount so borrowed shall in no case exceed one-eighth of the existing mortgage securities of that company.

(2) The constituent companies in any group may, in like manner and subject to the like conditions, guarantee any such securities issued by any one or more of them, or by any one or more subsidiary companies in the group.

(3) Where a scheme of amalgamation or absorption has been referred to or is being prepared or has been confirmed or settled by the amalgamation tribunal, the powers under this section shall not be exercised by any constituent or subsidiary company affected by the scheme without the consent of the amalgamation tribunal.

14.—(1) An amalgamated company shall, for the purposes of the Railway Clearing House and the Acts relating thereto, be deemed to be a party to the clearing system in place of the constituent and subsidiary companies from which it was formed.

(2) The Railway Clearing House may submit to the amalgamation tribunal and the amalgamation tribunal shall settle a scheme to effect such alterations of the Acts and regulations applicable to the Railway Clearing House as may be rendered necessary by reason of the constitution of amalgamated companies.

(3) The provisions of this Part of this Act applicable to an amalgamation scheme when settled by the amalgamation tribunal shall apply to a scheme under this section.

(4) The provisions of the Third Schedule to this Act shall apply to persons who were at the date of the introduction of the Bill for this Act officers and servants of the Railway Clearing House as if the Railway Clearing House were an amalgamated company and those officers and servants were officers and servants of a constituent company.

15. For the purposes of the provisions of the Trustee Act, 1893, and the Trusts (Scotland) Act, 1861 to 1910, relating to the securities in which trustees are authorised to invest trust funds, an amalgamated company or a company constituted by a preliminary amalgamation scheme shall be treated as if it were a railway company in Great Britain incorporated by special Act of Parliament and had, in each of the ten years immediately before the date of amalgamation, paid a dividend at the rate of not less than three per centum per annum on its ordinary stock.

PART II.

Regulation of Railways.

16.—(1) With a view to securing and promoting the public safety, or the interests of the public, or of trade, or of any particular locality the Railway and Canal Commission may, on the application of any body of persons representing any such interests, by order require any railway company or companies, or the Minister may, on the application of any such company or companies, by order authorise the company or companies to afford such reasonable railway services, facilities, and conveniences upon and in connection with its undertaking or their undertakings (including the provision of such minor alterations and extensions and improvements of existing works as will not involve in any one case an expenditure exceeding one hundred thousand pounds) as may be specified in the order :

Provided that, if on any such application a company satisfies the Railway and Canal Commission that under all the circumstances the capital required for the purpose cannot be provided or expended as proposed without prejudicially affecting the interests of the then existing stockholders, the order shall not be made :

Provided further that the powers under this subsection shall be in addition to and not in derogation of any other existing powers of requiring measures for securing the safety of the public or the provision of reasonable facilities.

(2) The Minister may, after such reference as is hereinafter mentioned, by order require or authorise any railway company or any two or more

railway companies on such terms and subject to such conditions as may be specified in the order—

(*a*) to conform gradually to measures and general standardisation of ways, plant and equipment (including methods of electrical operation, type, frequency, and pressure of current) ;

(*b*) to adopt schemes for the co-operative working or common user of rolling stock, workshops, manufactories, plant and other facilities :

Provided that—

(i) it shall not be necessary to make such a reference as aforesaid if the company or all the companies affected by the order consent thereto ; and

(ii) if on any such application to enforce the order as is hereinafter mentioned any company satisfies the Railway and Canal Commission that the order is such that the capital expenditure involved cannot be provided or expended without prejudicially affecting the interests of the then existing stockholders, the order shall not be enforceable as against that company.

(3) Before making any order under the last foregoing subsection the Minister shall (except as hereinbefore provided) refer the draft order to a committee consisting of a representative of each of the amalgamated companies (each of which companies shall, on being so required by the Minister, nominate a representative), and three persons of experience in the subject-matter of the proposed order selected by the Minister from the panel set up under section twenty-three of the Ministry of Transport Act, 1919, as extended by this Act, and the committee before reporting or advising shall, if they see fit, give public notice and permit any persons affected or likely to be affected and any authority or body or persons authorised to make applications under this Act to place their views before them, either in writing or orally.

(4) Any order of the Minister under this section shall be complied with by any railway company to which the order relates, and in the event of non-compliance shall (subject as hereinbefore provided) be enforceable by order of the Railway and Canal Commission on the application of the Minister in any of the ways referred to in section three of the Railway and Canal Traffic Act, 1854, or section six of the Regulation of Railways Act, 1873.

17. For enabling railway companies to effect alterations, extensions, and improvements of existing works in pursuance of an order of the Railway and Canal Commission or the Minister under this Part of this Act, the Minister may make any such order authorising the acquisition of land or easements and the construction of works as could have been made under paragraph (*d*) of subsection (1) of section three of the

Ministry of Transport Act, 1919, for the purposes specified in that paragraph, and that paragraph and section twenty-nine of the same Act, other than the proviso to subsection (3) of that section and the rules made under that section, and the regulations contained in the Second Schedule to the same Act shall, so far as they relate to railways, apply accordingly.

18. Where an agreement has been or may hereafter be entered into for the purchase, lease, or working by one railway company of any part of the system of another railway company, the Minister may, by order, confirm the agreement, and when any such agreement has been so confirmed it shall be lawful for the companies to carry the agreement into effect:

Provided that, before confirming any such agreement, the Minister shall comply with the provisions of section twenty-nine of, and the Second Schedule to, the Ministry of Transport Act, 1919, including any rules made under the said section; and the said section, schedule, and rules shall apply to the confirmation of any such agreement in like manner as they apply to the making of an order under paragraph (*d*) of subsection (1) of section three of the said Act.

19.—(1) Save as in this Act expressly provided, nothing in this Act shall prejudice or affect the rights or liabilities of any constituent or subsidiary company under any Act or agreement or arrangement (whether made under statutory powers or otherwise) in existence at the passing of this Act, but from and after the passing of this Act it shall not be lawful for any constituent or subsidiary company or for any amalgamated company without the consent of the Minister to enter into agreements with any constituent or subsidiary company in another group or with any other amalgamated company, as the case may be, for the allocation of traffic or the pooling of receipts or otherwise for effecting a combination which would contravene the purposes of this Act:

Provided that it shall be lawful for any two or more amalgamated companies to make and carry into effect, with the consent of the Minister, agreements for the joint working of the undertakings of subsidiary companies acquired by one of such amalgamated companies under the provisions of this Act.

(2) Before giving his consent under this section the Minister shall, unless it appears to him that the matter is one of such small importance that it is unnecessary to do so, refer the matter for consideration and report to a committee selected from the panel set up under section twenty-three of the Ministry of Transport Act, 1919, as extended by this Act.

(3) Schedules of all agreements and arrangements in existence at the passing of this Act (whether made under statutory powers or otherwise) in which provision is made for the allocation of traffic or the pooling of

receipts therefrom on any railways which will become railways of different amalgamated companies, giving particulars of the dates of such agreements or arrangements, and the parties thereto, shall, on request by the Minister, be furnished to him, and such further particulars as the Minister may require in regard to such agreements or arrangements shall be furnished to him by the companies affected thereby if and when demanded.

* * * * *

FIRST SCHEDULE.

1. Groups.	2. Constituent Companies.	3. Subsidiary Companies.
1. The Southern Group	1. The London and South Western; the London Brighton and South Coast; the South Eastern; the London Chatham and Dover; the South Eastern and Chatham Managing Committee.	1. The Bridgwater, the Brighton and Dyke; the Freshwater Yarmouth and Newport (Isle of Wight); the Hayling the Isle of Wight; the Isle of Wight Central; the Lee-on-the-Solent; the London and Greenwich; the Mid Kent (Bromley to St. Mary Cray); the North Cornwall; the Plymouth and Dartmoor; the Plymouth, Devonport and South Western Junction; the Sidmouth; the Victoria Station and Pimlico.
2. The Western Group	2. The Great Western; the Barry; the Cambrian; the Cardiff; the Rhymney; the Taff Vale; and the Alexandra (Newport and South Wales) Docks and Railway.	2. The Brecon and Merthyr Tydfil Junction; the Burry Port and Gwendreath Valley; the Cleobury Mortimer and Ditton Priors Light; the Didcot Newbury and Southampton; the Exeter; the Forest of Dean Central; the Gwendreath Valleys; the Lampeter, Aberayron and New Quay Light; the Liskeard and Looe; the Llanelly and Mynydd Mawr; the Mawddy; the Midland and South Western Junction; the Neath and Brecon; the Penarth Extension; the Penarth Harbour, Dock and Railway; the Port Talbot Railway and Docks; the Princetown; the Rhondda and Swansea Bay; the Ross and Monmouth; the South Wales Mineral; the Teign Valley; the Vale of Glamorgan; the Van; the Welshpool and Llanfair Light; the West Somerset; the Wrexham and Ellesmere.
3. The North Western, Midland and West Scottish Group	3. The London and North Western; the Midland; the Lancashire and Yorkshire; the North Staffordshire; the Furness; the Caledonian; the Glasgow and South Western; the Highland.	3. The Arbroath and Forfar; the Brechin and Edzell District; the Callander and Oban; the Cathcart District; the Charnwood Forest; the Cleator and Workington Junction; the Cockermouth Keswick and Penrith; the Dearne Valley; the Dornoch Light; the Dundee and Newtyle; the Harborne; the Killin; the Lanarkshire and Ayrshire; the Knott End; the Leek and Manifold Valley Light; the Maryport and Carlisle; the Mold and Denbigh Junction; the North and South Western Junction; the North London; the Portpatrick and Wigtonshire Joint Committee; the Shropshire Union Railways and Canal; the Solway Junction; the Stratford-upon-Avon and Midland Junction; the Tottenham and Forest Gate; the Wick and Lybster Light; the Wirral; the Yorkshire Dales Railway (Skipton to Grassington).

1. Groups.	2. Constituent Companies.	3. Subsidiary Companies.
4. The North Eastern, Eastern, and East Scottish Group	4. The North Eastern; the Great Central; the Great Eastern; the Great Northern; the Hull and Barnsley; the North British; the Great North of Scotland.	4. The Brackenhill Light; the Colne Valley and Halstead; the East and West Yorkshire Union; the East Lincolnshire; the Edinburgh and Bathgate; the Forcett; the Forth and Clyde Junction; the Gifford and Garvald; the Great North of England, Clarence and Hartlepool Junction; the Horncastle; the Humber Commercial Railway and Dock; the Kilsyth and Bonnybridge; the Lauder Light; the London and Blackwall; the Mansfield; the Mid-Suffolk Light; the Newburgh and North Fife; the North Lindsey Light; the Nottingham and Grantham Railway and Canal; the Nottingham Joint Station Committee; the Nottingham Suburban; the Seaforth and Sefton Junction; the Sheffield District; the South Yorkshire Junction; the Stamford and Essendine; the West Riding Railway Committee.

SECOND SCHEDULE.

Board of Directors of Amalgamated Company.

Part I.

First Year.

1. For the period commencing on the date when the amalgamation scheme comes into operation and ending on the date of the general meeting of the amalgamated company in the following year, the company shall be directed by a board consisting of such number of persons as may be fixed by the scheme elected by the proprietors of the several constituent companies not exceeding, in the case of the North Western Midland and West Scottish Group, and the North Eastern Eastern and East Scottish Group, twenty-eight, in the case of the Western Group, twenty-five, and in the case of the Southern Group, twenty-one.

(2) Before the date when the amalgamation scheme comes into operation the proprietors of each constituent company shall elect from amongst the directors of the company holding office at the time such number as may be fixed by the scheme to serve as directors of amalgamated companies as aforesaid.

3. The directors so elected shall hold office until the date of the said general meeting, and shall then retire, but any director so retiring may, if otherwise qualified, be elected as a director of the company under the provisions hereinafter contained.

4. In the event of a casual vacancy occurring during the said period amongst the directors, the vacancy shall be filled by a person co-opted

by the other directors, being a person who was a director of the constituent company by the proprietors of which the vacating director was elected.

PART II.

AFTER THE FIRST YEAR.

1. As from the date of the general meeting of the amalgamated company in the year following that in which the amalgamation scheme comes into operation, the company shall be directed by a board of directors consisting of such number of members elected by the proprietors of the company as may be specified in the scheme not exceeding, in the case of the North Western Midland and West Scottish Group and the North Eastern, Eastern and East Scottish Group, twenty-eight, in the case of the Western Group twenty-five, and in the case of the Southern Group twenty-one.

2. The qualification of a director shall be the holding in his own right of such amount of the share capital of the amalgamated company as may be specified in the scheme, and, subject as hereinafter provided, the term of office of such a director shall be three years, but on retirement he may, if otherwise qualified, be re-elected.

3. Any casual vacancy occurring among the directors shall be filled by a person co-opted by the other directors, and any director co-opted to fill a casual vacancy shall hold office for the same period as that for which his predecessor would have held office.

4. On the first election of directors, one-third of the total number of directors, of if their number is not a multiple of three then the number nearest to but not exceeding one third (failing agreement to be selected by lot) shall be deemed to have been elected for one year, and one-third or such nearest number as aforesaid (failing agreement to be selected by lot) for two years.

5. Subject to the foregoing provisions of this Schedule, the provisions of the Companies Clauses (Consolidation) Act, 1845, with respect to the appointment and rotation of directors shall apply.

THIRD SCHEDULE.

EXISTING OFFICERS AND SERVANTS.

The following provisions shall apply in respect to persons who at the date of the passing of this Act are and for a period of not less than five years have been, officers or servants of any constituent company or subsidiary company, and who shall not, prior to the amalgamation or absorption of such constituent or subsidiary company, have become pensioners or annuitants in accordance with the rules of any railway pension or superannuation fund of which they may be members, or have

voluntarily retired, or have been removed from the service of any such constituent or subsidiary company by reason of misconduct or incapacity (all of which officers and servants are in this Schedule hereinafter referred to as " existing officers and servants ") :—

(1) Every existing officer and servant shall, as from the date of amalgamation or absorption, become an officer or servant of the amalgamated company :

(2) The amalgamated company may abolish the office or situation of any existing officer or servant which they deem unnecessary, and any existing officer or servant required to perform duties such as are not analogous or which are an unreasonable addition to those which as an officer or servant of the company from whom he was transferred he was required to perform may relinquish his office or situation :

(3) No existing officer or servant so transferred shall, without his consent, be by reason of such transfer in any worse position in respect to the conditions of his service as a whole (including tenure of office, remuneration, gratuities, pension, superannuation, sick fund or any benefits or allowances whether obtaining legally or by customary practice of the constituent or subsidiary company) as compared with the conditions of service formerly obtaining with respect to him :

(4) If any question arises as to whether the provisions of the last foregoing paragraph have been complied with, the question shall be referred to a standing arbitrator or board of arbitration appointed by the Lord Chancellor, and, if the arbitrator or board consider that those provisions have not been complied with, and that the officer or servant has thereby suffered loss or injury, they shall award him such sum to be paid by the amalgamated company as they think sufficient to compensate him for such loss or injury :

(5) Every existing officer or servant whose office or situation is so abolished or who so relinquishes his office or service or whose services are dispensed with on the ground that they are not required or for any reason not being on account of any misconduct or incapacity, or whose salary, wages, or remuneration are reduced on the ground that his duties have been diminished, or who otherwise suffers any direct pecuniary loss by reason of the amalgamation or absorption (including any loss of prospective superannuation or other retiring or death allowances and allowances payable to his widow or orphan children, whether obtaining legally or by customary practice of the constituent or subsidiary company), shall be entitled to be paid compensation for such pecuniary loss, to be determined and paid by the amalgamated company,

subject to appeal to such standing arbitrator or board of arbitration as aforesaid, in accordance with the provisions contained in section one hundred and twenty of the Local Government Act, 1888, relating to compensation to existing officers, and those provisions shall apply accordingly as if they were herein re-enacted with the necessary modifications. For the purpose of this schedule, any solicitor who was continuously retained by a company as their chief legal adviser for the period of five years before the passing of this Act shall be deemed to be an existing officer of the company :

Provided that, in the case of any officer or servant who was appointed to his office as a specially qualified person at an age exceeding that at which public service usually begins or of any officer or servant who suffers any loss of prospective superannuation or other retiring or death allowances as aforesaid, such addition may be made to the amount of compensation authorised under the said provisions as may seem just, having regard to the particular circumstances of such case :

Provided further that the expression in subsection (1) of section one hundred and twenty of the Local Government Act, 1888, " the Acts and Rules relating to Her Majesty's Civil Service " shall mean the Acts and Rules relating to His Majesty's Civil Service which were in operation at the date of the passing of the Local Government Act, 1888.

(6) The fee payable to an arbitrator or member of a board of arbitration under this Schedule shall be such as the Lord Chancellor may fix, and that fee shall be paid by the amalgamated company concerned.

APPENDIX II.

LIST OF AMALGAMATION AND ABSORPTION SCHEMES CONFIRMED OR SETTLED BY THE RAILWAYS AMALGAMATION TRIBUNAL, 1921-1923.

1. **London and North Western and Lancashire and Yorkshire Railway Company's** Amalgamation Scheme. Dated December 20, 1921.
2. **Great Western Railway (Western Group)** Preliminary Amalgamation Scheme. Dated March 25, 1922.
3. **North Eastern and Hull and Barnsley Railway Company's** Preliminary Amalgamation Scheme. Dated April 1, 1922.
4. **Great Western Railway and Barry Railway Company's** Preliminary Amalgamation Scheme, 1922. Dated May 8, 1922.
5. **Great Western Railway (Western Group)** Preliminary Absorption Scheme (No. 1), 1922. Dated May 9, 1922.
6. **Great Western Railway (Western Group)** Preliminary Absorption Scheme (No. 2), 1922. Dated July 24, 1922.
7. **London and North Western** (North London Railway and Dearne Valley Railway) Preliminary Absorption Scheme, 1922. Dated December 19, 1922.
8. **Railways (Southern Group)** Amalgamation Scheme, 1922. Dated December 22, 1922.
9. **London and South Western Railway (Southern Group)** Preliminary Absorption Scheme, 1922. Dated December 23, 1922.
10. **London, Brighton and South Coast Railway (Southern Group)** Preliminary Absorption Scheme, 1922. Dated December 23, 1922.
11. **London and North Western Railway** (Shropshire Union Railways and Canal Company) Preliminary Absorption Scheme, 1922. Dated December 29, 1922.
12. **Midland Railway** Preliminary Absorption Scheme. Dated December 29, 1922.
13. **North Eastern, Eastern and East Scottish Group** Amalgamation Scheme, 1922. Dated December 30, 1922.

14. **North Western, Midland and West Scottish Group** (Preliminary) Amalgamation Scheme, 1922. Dated December 30, 1922.
15. **Railway Clearing House Scheme,** 1922. Dated December 30, 1922.
16. **Great Western Railway (Western Group)** Preliminary Absorption Scheme (No. 3), 1922. Dated January 19, 1923.
17. **South Eastern Railway (Southern Group)** Preliminary Absorption Scheme, 1922. Dated February 6, 1923.
18. **Great Western Railway (Western Group)** Preliminary Absorption Scheme (No. 4), 1922. Dated March 27, 1923.
19. **London Midland and Scottish Railway** Preliminary Absorption Scheme, 1923. Dated April 3, 1923.
20. **North Western, Midland and West Scottish Group** Amalgamation Scheme, 1923. Dated June 29, 1923.
21. **London and North Eastern Railway** Absorption No. 1 Scheme, 1923. Dated June 29, 1923.
22. **Railways (Western Group)** Amalgamation Scheme, 1923. Dated June 29, 1923.
23. **London Midland and Scottish Railway** Absorption No. 1 Scheme, 1923. Dated July 14, 1923.
24. **Great Western Railway (Exeter Railway)** Absorption Scheme 1923. Dated August 3, 1923.
25. **Great Western Railway (Forest of Dean Central Railway)** Absorption Scheme, 1923. Dated August 3, 1923.
26. **Southern Railway (Freshwater, Yarmouth and Newport Railway)** Absorption Scheme, 1923. Dated August 11, 1923.
27. **Southern Railway (Lee-on-the-Solent Railway)** Absorption Scheme, 1923. Dated August 11, 1923.
28. **London and North Eastern Railway (Forth and Clyde Junction Railway)** Absorption Scheme, 1923. Dated August 8, 1923.
29. **London and North Eastern Railway (Newburgh and North Fife Railway)** Absorption Scheme, 1923. Dated August 8, 1923.
30. **Great Western Railway (Midland and South Western Junction Railway)** Absorption Scheme, 1923. Dated September 28, 1923.
31. **Southern Railway (Brighton and Dyke Railway)** Absorption Scheme, 1923.
32. **London and North Eastern Railway (Mid-Suffolk Light Railway)** Absorption Scheme, 1923.
33. **London and North Eastern Railway (South Yorkshire Junction Railway)** Absorption Scheme, 1923.
34. **London Midland and Scottish Railway (Leek and Manifold Valley Light Railway)** Absorption Scheme, 1923.

APPENDIX III.

TEXT OF SELECTED SCHEMES.

For purposes of reference and study the actual text of the amalgamation and absorption schemes here reproduced should be found of the utmost value. As set out in the foregoing list (Appendix II), there are 34 in all, and copies of any of the schemes may be purchased from H.M. Stationery Office in the Statutory Rules and Orders Series.

Certain of these have been selected for reproduction. The London and North Western and Lancashire and Yorkshire preliminary amalgamation was the first scheme approved by the Tribunal, and as it differs in some respects from later practice, is reproduced in full. The London Midland and Scottish preliminary absorption has been selected as a typical example of these schemes. Then follow, in the order of the four groups in the First Schedule to the Railways Act, although not in order of date, the final amalgamation schemes of the Southern, Great Western, London Midland and Scottish, and London and North Eastern companies. The Great Western, as explained in Chapter V, is made up of the Barry preliminary and the short final scheme.

Where "common form" clauses are repeated in the several amalgamation schemes, reference should be made to the text given in the first scheme in which they appear.

The terms of exchange of stocks appended to the original schemes as schedules will be found in the complete collection of such schedules reproduced in Appendix IV.

THE LONDON AND NORTH WESTERN AND LANCASHIRE AND YORKSHIRE RAILWAY COMPANIES' AMALGAMATION SCHEME, 1921. Dated December 20, 1921.

Preamble.

Whereas the London and North Western Railway Company and the Lancashire and Yorkshire Railway Company are two of the constituent Companies of the North Western, Midland and West Scottish Group of Railways mentioned in the First Schedule to the Railways Act, 1921.

and as such are authorised by Section 8 of the said Act to submit to the Minister of Transport for reference to the Railways Amalgamation Tribunal a preliminary scheme for the amalgamation of the London and North Western Railway Company and the Lancashire and Yorkshire Railway Company.

SHORT TITLE.

1. This Scheme may be cited for all purposes as " The London and North Western and Lancashire and Yorkshire Railway Companies' Amalgamation Scheme, 1921."

DATE OF VESTING.

2. This Scheme shall come into operation and take effect on and as from the 1st day of January, 1922, which day is hereinafter called " the date of vesting."

INCORPORATION OF ACTS.

3.—(1) So far as applicable and as varied by this Scheme, there shall be incorporated with and form part of this Scheme :—

The Companies Clauses Consolidation Act, 1845.

Part I (relating to cancellation and surrender of shares), Part II (relating to additional capital), and Part III (relating to debenture stock) of the Companies Clauses Act, 1863, as amended by subsequent Acts.

(2) The following parts of Acts are incorporated with and form part of this Scheme (that is to say) :—

Part V (relating to amalgamation) of the Railways Clauses Act, 1863, subject to the provisions of the Railways Act, 1921.

The provisions contained in the Third Schedule to the Railways Act, 1921 (with respect to officers and servants). Provided that the references to the Amalgamated Company in the said Third Schedule shall be construed as referring to the Company incorporated by this Scheme.

INTERPRETATION.

4. In this Scheme the expression " The North Western Company " means the London and North Western Railway Company dissolved by this Scheme.

" The Lancashire and Yorkshire Company " means the Lancashire and Yorkshire Railway Company.

" The two Companies " means the North Western Company and the Lancashire and Yorkshire Company.

" The Company " means the Company incorporated by this Scheme.

The expression " the Special Act " where the same is used in the Act or parts of Acts incorporated herewith shall, in construing such Acts and reading the same with this Scheme, mean this Scheme.

AMALGAMATION OF UNDERTAKINGS.

5. On and as from the date of vesting, the undertakings of the two Companies are hereby amalgamated, and the undertakings so amalga-

mated shall constitute one undertaking and shall be the undertaking of the Company by this Scheme incorporated.

Dissolution of Two Companies and Incorporation of Company.

6. On and as from the date of vesting, the North Western Company and the Lancashire and Yorkshire Company respectively shall (except for the purposes of the preparation of accounts and declaration of dividends of the two Companies respectively for the year ending 31st December, 1921, and the determination of the payment of compensation to directors) be and are hereby dissolved and the several persons who immediately before the date of vesting are proprietors of stock, other than Debenture Stock, of the two Companies respectively shall be and are hereby united into a Company, and shall be and are hereby incorporated by the name of the London and North Western Railway Company and by that name shall be a body corporate with perpetual succession and a common seal and with power to purchase take hold and dispose of lands and other property for the purposes of the Company.

Original Capital of Company.

7. The original capital of the Company shall be, and shall consist of the following stock and mortgages :—

£	
59,200,439	3% Debenture Stock.
18,272,004	Consolidated 4% Guaranteed Stock.
42,131,295	Consolidated 4% Preference Stock.
9,824,371	4% Preference Stock (1902).
1,500,000	4½% Redeemable Preference Stock to be redeemed at par on 30th June, 1925.
700,000	5% Redeemable Preference Stock (1916) to be redeemed at par on 30th June, 1926.
56,664,047	Consolidated Stock.
575,000	Mortgages.
£188,867,156	

and the aforesaid stock and mortgages shall on the date of vesting be deemed to have been created and issued by virtue of this Scheme and without further or other authority.

Capital of North Western Company.

8. The present capital of the North Western Company (all of which is issued and fully paid up) is and consists of the stock hereunder written, and the several persons who immediately before the date of vesting are the registered holders of any of such stock shall on the date of vesting by virtue of this Scheme have allocated to them and become and be the registered holders of stock in the capital of the Company of the like class denomination and amount.

	£
3% Debenture Stock	39,022,452
Consolidated 4% Guaranteed Stock	15,100,406
Consolidated 4% Preference Stock	23,080,620
4% Preference Stock (1902)	6,271,710
4½% Redeemable Preference Stock	1,500,000
Consolidated Stock..	42,910,121
	£127,885,309

CAPITAL OF LANCASHIRE AND YORKSHIRE COMPANY.

9. The present capital of the Lancashire and Yorkshire Company (all of which is issued and fully paid up) is and consists of the stock and mortgages set forth in the first column hereunder written, and the persons who immediately before the date of vesting are the registered holders of such stock and mortgages shall on the date of vesting by virtue of this Scheme have allocated to them and become and be the registered holders of the relative stock or mortgages in the capital of the Company which are set out in the second column hereunder written in the proportions and manner hereinafter provided.*

LANCASHIRE AND YORKSHIRE STOCKHOLDERS TO BE STOCKHOLDERS IN COMPANY.

10. On the date of vesting, the several persons who immediately before the date of vesting are the registered holders of stock or mortgages in the capital of the Lancashire and Yorkshire Company shall respectively by virtue of this Scheme have allocated to them and become and be the registered holders of the relative stock or mortgages in the capital of the Company hereunder written in the proportions hereunder mentioned.*

STOCKHOLDERS OF TWO COMPANIES TO ACCEPT STOCK OF COMPANY.

11. On and from the date of vesting the persons who by virtue of this Scheme become the registered holders of stock or mortgages of the Company shall (subject to the provisions of this Scheme) accept and be deemed to have accepted the stock or mortgages of the Company allocated to them under this Scheme in substitution for the stock or mortgages of the two Companies respectively held by them and in satisfaction of all claims arising thereunder.

STOCKHOLDERS' RIGHTS.

12. Subject to the provisions of this Scheme all the stock in the original capital of the Company (excluding Debenture Stocks) shall respectively be subject to or have annexed thereto the same rights privileges priorities and incidents as the relative stock of the North Western Company is respectively subject to or has annexed thereto immediately before the date of vesting. The 5 per cent. Redeemable Preference Stock of the Company shall, except as to rate of interest and date of redemption, be subject to or have annexed thereto the same rights, privileges, priority and incidents as the 4½ per cent. Redeemable Preference Stock of the Company.

DEBENTURE STOCKHOLDERS' RIGHTS.

13. The Debenture Stock forming part of the original capital of the Company shall be subject to and have annexed thereto in respect of the undertaking of the Company such rights privileges and incidents as the Debenture Stock of the North Western Company was subject to and

* *See* Appendix IV.

had annexed thereto in respect of the undertaking of the North Western Company immediately before the date of vesting, save that the interest on the Debenture Stock of the Company shall be due and payable half-yearly on the first day of July and the first day of January in each year and that the first half-year's interest shall be due and payable on the first day of July, 1922.

MORTGAGEES' RIGHTS.

14. The mortgages of the Company shall in respect of the undertaking of the Company be subject to or have annexed thereto such rights, privileges and incidents as the mortgages of the Lancashire and Yorkshire Company for which they are substituted were subject to or had annexed thereto in respect of the undertaking of the Lancashire and Yorkshire Company immediately before the date of vesting.

VOTING RIGHTS.

15. The holders of stock (other than Debenture Stock the holders of which shall have no voting rights) in the original capital of the Company and (unless otherwise provided by the terms of creation of issue thereof) the holders of Stock other than as aforesaid which may after the date of vesting be created by the Company under the provisions of this Scheme shall have such rights of voting as are conferred upon shareholders by Section 75 of the Companies Clauses Act, 1845, and for the purposes of that Section each sum of £100 of such stock held by any such stockholder shall be deemed equivalent to one share :

Provided that in case the aggregate amount of all the stock (other than as aforesaid) of the Company held by any holder shall be less than one hundred pounds but not less than fifty pounds, then such holder shall have one vote in respect of all his stock.

NORTH WESTERN CERTIFICATES DEEMED CERTIFICATES OF COMPANY.

16. The certificates of stock of the North Western Company shall, on the date of vesting, become and be deemed to be the certificates of the stock of the Company which is allocated to the holders of such certificates of the North Western Company by this Scheme

NEW CERTIFICATES TO LANCASHIRE AND YORKSHIRE STOCKHOLDERS.

17. Any holder of stock or a mortgage in the capital of the Lancashire and Yorkshire Company who shall after the date of vesting deliver to the secretary of the Company the certificate for such stock or the mortgage to be cancelled shall be entitled without payment to receive from the Company in substitution for the certificate or mortgage so delivered a certificate for the stock or the mortgage which is allocated to such holder by this Scheme :

Provided always, but subject to the provision hereinafter contained relating to fractional parts of a pound of stock, that until such substitution the certificates for stock or mortgages of the Lancashire and Yorkshire Company shall be deemed to be certificates of the stock or

the mortgages of the Company allocated to the holders of such certificates or mortgages by this Scheme.

Lost Certificates.

18. If any certificates of any stock or any mortgage of either of the two Companies in substitution for which any stock or mortgage of the Company is allocated under this Scheme be lost or destroyed then upon proof thereof and upon an indemnity being given against any claim in respect of such lost or destroyed certificate or mortgage to the reasonable satisfaction of the directors of the Company the Company shall deliver to the person entitled to such certificate or mortgage a certificate of the stock or the mortgage of the Company which is allocated to him by this Scheme.

Fractions.

19. No person shall become entitled to any fractional part of a pound of stock of any denomination in the capital of the Company but in every case in which any person would but for this provision have become entitled to a fractional part of a pound of any such stock the Company may at their option receive and recover from such person such a sum as will at the market value of the relative North Western Stock immediately before the date of vesting make up an even pound or pay to such person in cash the aforesaid market value of such fractional part.

References to Stock of Two Companies to refer to Stock of Company.

20. Any reference in any deed, book, document, instrument or writing to any stock or mortgage of either of the two Companies shall be deemed to be a reference to the stock or mortgage as the case may be of the Company by virtue of this Scheme substituted therefor.

Testamentary Dispositions not affected.

21. Every person to whom any stock or mortgage of the Company is by this Scheme allocated shall stand and be possessed of such stock or mortgage upon the same trusts and for the same purposes and under and subject to the same liens, charges, powers and provisions as immediately before the date of vesting affected the stock or mortgage of the two Companies respectively for which by virtue of this Scheme such stock or mortgage of the Company is substituted, and so as to give effect to and not to addeem any testamentary disposition.

Trustees to accept Stock of Company.

22. Trustees, executors and administrators being holders of any stock or mortgage of either of the two Companies may and shall hold dispose of or otherwise deal with any stock or mortgage of the Company substituted therefor by this Scheme in all respects as they might or ought to have held disposed of or otherwise dealt with the stock or mortgage for which the same is substituted.

REPEAL OF EXISTING UNEXERCISED CAPITAL POWERS.

23. On and as from the date of vesting, all unexercised powers of raising money conferred upon the two Companies respectively are hereby repealed.

ADDITIONAL CAPITAL.

24. The Company may raise for the general purposes of their undertaking by the creation and issue of new stock such additional capital as they shall think necessary not exceeding £7,113,715 and the Company may create and issue such stock either wholly or partially as ordinary or wholly or partially as preference stock as they may think fit: Provided always that notwithstanding anything contained in the Companies Clauses Act, 1863, any such preference stock may bear such rate of dividend as the directors of the Company determine at the time or times of the creation or issue thereof.

DISPOSAL OF NEW STOCK.

25. Notwithstanding anything contained in Part II of the Companies Clauses Act, 1863, the Company may in issuing any of the stock in the additional capital authorised by this Scheme dispose of the same at such times to such persons on such terms and conditions and in such manner as the directors think advantageous to the Company.

ADDITIONAL CAPITAL SUBJECT TO SAME INCIDENTS AS ORIGINAL CAPITAL.

26. Any additional capital created by the Company under this Scheme otherwise than as debenture or preference stock or loan shall be subject and entitled to the same powers provisions, forfeitures, liabilities, rights, privileges and incidents whatsoever in all respects as if that capital were part of the original Consolidated Stock of the Company.

POWER TO BORROW.

27. The Company may borrow on mortgage of their undertaking any sums not exceeding in the whole £3,424,286 and of that sum they may borrow from time to time :—

(*a*) Any sums not exceeding in the whole £1,245,153 without being required to obtain the certificate of a justice under the fortieth section of the Companies Clauses Consolidation Act, 1845, and

(*b*) In respect of the additional capital of £7,113,715 which they are by this Scheme authorised to raise any sums not exceeding in the whole £2,179,133 and of such sum of £2,179,133 the Company may borrow from time to time not exceeding £100,000 in respect of each £300,000 of the said additional capital but no part of the said sum of £100,000 shall be borrowed until stock for one-half of the portion of the additional capital in respect of which it is borrowed is fully paid up and the Company have proved to the justice who is to certify the fortieth section of the Companies Clauses

Consolidation Act, 1845, before he so certified that stock for the whole of the portion of the said capital has been issued and accepted and has been paid up bona fide to the extent of one-half and is held by the persons to whom the same was issued or their executors, administrators, successors or assigns.

Upon production to such justice of the books of the Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which shall be sufficient evidence thereof.

APPOINTMENT OF RECEIVER.

28. The mortgagees of the Company may enforce payment of arrears of interest or principal or principal and interest due on their mortgages by the appointment of a receiver and in order to authorise the appointment of a receiver in respect of arrears of principal the amount owing to the mortgagees by whom the application for a receiver is made shall not be less than Ten thousand pounds in the whole.

DEBENTURE STOCK.

29. The Company may create and issue debenture stock subject to the provisions of Part III of the Companies Clauses Act, 1863, but notwithstanding anything therein contained the interest of all debenture stock of the Company created and issued by the Company at any time after the date of vesting shall rank *pari passu* with the interest of all mortgages granted by the Company at any time after the date of vesting and shall have priority over all principal moneys secured by such mortgages.

APPLICATION OF MONEYS.

30. All moneys raised by the Company under this Scheme whether by stock or borrowing shall be applied only to the purposes to which capital is properly applicable.

RECEIPT IN CASE OF PERSONS NOT *sui juris*.

31. If any money is payable by the Company to a holder of stock or a mortgage of the Company being a minor, idiot or lunatic, the receipt of the guardian or committee of his estate shall be a sufficient discharge to the Company.

INTEREST ON MONEY ADVANCED BEYOND CALLS.

32. Nothing in this Scheme shall prevent the Company from paying such interest on money advanced beyond the amount of calls actually made as is in conformity with the Companies Clauses Consolidation Act, 1845, but save as aforesaid no interest or dividend shall be paid out of any capital moneys of the Company.

DIRECTORS.

33. On the date of vesting the Board of Directors of the Company shall consist of twenty-one Directors nominated by the Directors of the

North Western Company, fourteen of whom shall be persons holding office as Directors of the North Western Company immediately before the date of vesting and seven of whom shall be persons holding office as Directors of the Lancashire and Yorkshire Company immediately before the date of vesting, and at the First Ordinary Meeting of the Company to be held in 1923 and at the first Ordinary Meeting to be held in every subsequent year one-third of the Directors then in office shall retire, the retiring Directors to be the Directors who have been longest in office, and for the purpose of determining which Directors have been longest in office election or re-election to the Board of Directors of the North Western Company or Lancashire and Yorkshire Company shall be deemed to have been election to the Board of the Company, and if any question shall arise as to the Directors who are to retire in accordance with this provision the Directors to retire shall, failing agreement, be selected by lot from among the Directors as regards whom the question shall have arisen.

CHAIRMAN AND DEPUTY CHAIRMAN.

34.—(1) The first Chairman of the Board of Directors of the Company shall be the person holding office of Chairman of the North Western Company immediately before the date of vesting, or him failing one of the North Western Company to be chosen from among their number by the Directors of the North Western Company appointed to the Board of the Company.

(2) The first Deputy Chairman of the Board of Directors of the Company shall be the person holding the office of Chairman of the Lancashire and Yorkshire Company immediately before the date of vesting, or him failing one of the Lancashire and Yorkshire Directors to be chosen from among their number by the Lancashire and Yorkshire Directors appointed to the Board of the Company.

AUDITORS.

35. From the date of vesting until the first Ordinary Meeting of the Company the Auditors of the Company shall be the persons who were Auditors of the North Western Company immediately before the date of vesting.

FIRST MEETING OF COMPANY.

36. The first General Meeting of the Company shall be held in the month of February, 1923.

GENERAL MEETINGS.

37. The provisions of the Acts of the Lancashire and Yorkshire Company relating to the general meetings Directors and Auditors of the Lancashire and Yorkshire Company shall not apply to the Company of the general meetings Directors or Auditors thereof but the provisions of the Acts of the North Western Company relating to the general meetings Directors and Auditors of the North Western Company so

far as the same are in force at the date of vesting shall subject to the provisions of this Scheme apply to the Company and the general meetings Directors and Auditors thereof.

TRANSFER FEES.

38. The provisions of the Acts of the Lancashire and Yorkshire Company relating to the payment of fees on transfer or transmission of stock or mortgages and the issue and endorsement of certificates shall apply to the payment of fees on transfer or transmission of stock or mortgages of the Company.

DIRECTORS TO CONTINUE IN OFFICE FOR CERTAIN PURPOSES.

39. Notwithstanding anything contained in this Scheme

(*a*) The persons who are the Directors, Officers and Auditors of the two Companies respectively in office immediately before the date of vesting or the survivors of them shall be deemed to be in office for the purpose of the preparation and auditing of accounts and balance-sheets for the production of the same to the proprietors of the two Companies respectively and for the declaration of dividends for the year ending 31st December, 1921, and for the summoning, holding and conduct of the meetings next hereinafter mentioned :

(*b*) An annual general meeting of each of the two Companies shall be held in the month of February, 1922, and the persons who on the 31st December, 1921, are the proprietors of the two Companies respectively shall be deemed to be proprietors of the two Companies respectively until such meetings have respectively been held for the purpose of receiving the statements of accounts and declaring the dividends of the two Companies respectively for the year ending 31st December, 1921, and determining what compensation shall be paid out of the respective revenue assets of the two Companies to the Directors of the two Companies respectively who suffer loss by abolition of office.

COMPANY TO PAY DIVIDENDS AND INTEREST IN CERTAIN EVENTS.

40.—(1) Any dividends declared by the two Companies respectively and not paid before the date on which this Scheme is approved by the Railway Amalgamation Tribunal and any compensation which the proprietors of the two Companies respectively may have determined to be paid out of the respective revenue assets of the two Companies to the Directors of the two Companies respectively who suffer loss by abolition of office shall be paid by the Company.

(2) Any debenture or mortgage interest which but for this Scheme would have been payable by either of the two Companies in or prior to the month of January, 1922, but which shall not have been paid before the approval by the Railways Amalgamation Tribunal of this Scheme is obtained shall be paid by the Company.

Compensation to Retiring Directors.

41. Each of the two Companies may with the consent of its proprietors provide for the payment of compensation out of its revenue assets to the Directors of each of the two Companies who suffer loss by abolition of office.

Rearrangement of Staff.

42. In any rearrangement of the staff of the Company the respective officers and servants of the two Companies shall have equal claims upon the consideration of the Directors of the Company.

Superannuation Funds, &c.

43.—(1) Subject to the provisions of this Section any Superannuation Pension or other Benefit Fund or any Savings Bank of or established by either of the two Companies shall continue as if the two Companies had not amalgamated.

(2) There shall be continued to the persons who are or have been officers or servants of the two Companies respectively and who are or have been members of any Superannuation, Pension or other Benefit Fund, or depositors in any Savings Bank of or established by either of the two Companies and to any persons claiming in right of any such persons who are or have been officers or servants the same benefits, rights and privileges as such persons would have been, or might have become, entitled to from any such Fund or Savings Bank if the two Companies had not amalgamated.

Provided always that for the purposes of the statutory enactments and of the rules, regulations and resolutions relating to any such Fund or Savings Bank of either of the two Companies the service or employment or dismissal under or by the Company of the officers and servants of either of the two Companies who by virtue of this Scheme become officers and servants of the Company shall be deemed to be service or employment or dismissal under or by the North Western Company or the Lancashire and Yorkshire Company as the case may be.

(3) Subject to the provisions of this Section the management of any Superannuation, Pension, or other Benefit Fund or any Savings Bank of or established by either of the two Companies shall remain unaltered except that (a) for the four Directors' Committee Men forming part of the Committee in whom the management and direction of the Lancashire and Yorkshire Superannuation Fund is vested there shall be substituted one Director of the Company and three of the officers of the Company who are members of the Lancashire and Yorkshire Fund to be appointed by the Directors of the Company and (b) any power vested in either of the two Companies or their Directors relating to the appointment of Officers of any Pension or other Benefit Fund or members of any Committee or body in whom the direction or management of any such Fund is vested or relating to the management of any Savings Bank shall be exercised by the Company or its Directors.

For Protection of Postmaster-General.

44. Notwithstanding anything in this Scheme, on and from the date of vesting all enactments, awards, deeds, agreements and arrangements between the Postmaster-General and the London and North Western Railway Company and the Lancashire and Yorkshire Railway Company respectively, relating to the construction and maintenance of telegraphs, shall continue to apply only to the system of railways, works and lands which previously to the date of vesting formed the undertaking of those Companies respectively and to the Postmaster-General and the Company in respect thereof.

THE LONDON MIDLAND AND SCOTTISH RAILWAY PRELIMINARY ABSORPTION SCHEME, 1923.

Dated April 3, 1923.

Preamble.

Whereas the London Midland and Scottish Railway Company which was formed and incorporated by a preliminary amalgamation Scheme under Section 8 of the Railways Act, 1921 (hereinafter called "the Railways Act"), is for the purposes of the Railways Act a constituent Company of the North Western Midland and West Scottish Group of Railways and as such is authorised by Section 8 of the Railways Act to submit to the Minister of Transport for reference to the Railways Amalgamation Tribunal a preliminary Scheme for the absorption of any subsidiary Company or Companies in the said Group.

And whereas the Arbroath and Forfar Railway Company, the Brechin and Edzell District Railway Company, the Callander and Oban Railway Company, the Cathcart District Railway Company, the Cleator and Workington Junction Railway Company, the Cockermouth Keswick and Penrith Railway Company, the Dornoch Light Railway Company, the Dundee and Newtyle Railway Company, the Lanarkshire and Ayrshire Railway Company, the Maryport and Carlisle Railway Company, the Mold and Denbigh Junction Railway Company, the North and South Western Junction Railway Company, the Portpatrick and Wigtownshire Joint Committee, the Solway Junction Railway Company, the Stratford-upon-Avon and Midland Junction Railway Company, the Tottenham and Forest Gate Railway Company, and the Wick and Lybster Light Railway Company are subsidiary Companies in the said Group.

And whereas certain of the stocks and shares mentioned in the Second Part of the Schedule hereto are held by or on behalf of the Caledonian Railway Company which is a constituent Company of the said Group of Railways and the said Company has agreed that such of

the stocks and shares mentioned in the said Part of the Schedule as are held by it or on its behalf shall be cancelled.

And whereas the provisions of the Railways Act relating to the procedure preliminary to the submission of a Scheme have been complied with.

Now therefore, pursuant to the provisions of Section 8 of the Railways Act, the London Midland and Scottish Railway Company submits the preliminary absorption Scheme hereinafter contained :—

SHORT TITLE.

1. This Scheme may be cited for all purposes as " The London Midland and Scottish Railway Preliminary Absorption Scheme, 1923."

INTERPRETATION.

2. In this Scheme

" The Company " means the London Midland and Scottish Railway Company.

" The absorbed Companies " means the Arbroath and Forfar Railway Company, the Brechin and Edzell District Railway Company, the Callander and Oban Railway Company, the Cathcart District Railway Company, the Cleator and Workington Junction Railway Company, the Cockermouth Keswick and Penrith Railway Company, the Dornoch Light Railway Company, the Dundee and Newtyle Railway Company, the Lanarkshire and Ayrshire Railway Company, the Maryport and Carlisle Railway Company, the Mold and Denbigh Junction Railway Company, the North and South Western Junction Railway Company, the Portpatrick and Wigtownshire Joint Committee, the Solway Junction Railway Company, the Stratford-upon-Avon and Midland Junction Railway Company, the Tottenham and Forest Gate Railway Company, and the Wick and Lybster Light Railway Company, or any of them as the case may be.

" The date of vesting " means the 1st day of January, 1923, immediately after the North Western Midland and West Scottish Group Amalgamation Scheme, 1922, came into operation and took effect.

" The date of approval " means the date upon which this Scheme is approved by the Railways Amalgamation Tribunal.

" Stock " includes shares and other securities mentioned in the Schedule hereto.

INCORPORATION OF ACTS.

3. The following parts of Acts are incorporated with and form part of this Scheme (that is to say) :—

Part V (relating to amalgamation) of the Railways Clauses Act, 1863, subject to the provisions of the Railways Act and of this Scheme, and for the purpose of this incorporation this Scheme shall be deemed to be " the Special Act," and any Light Railway Order

or Board of Trade certificate conferring powers on the absorbed Companies shall so far as applicable be deemed to be a Special Act relating to or affecting the dissolved Company.

The provisions contained in the Third Schedule to the Railways Act (with respect to officers and servants) Provided that reference to the amalgamated Company in the said Third Schedule shall be construed as referring to the Company: Provided also that references to a subsidiary Company in the said Third Schedule shall be construed as including the North and South Western Junction Railway Joint Committee and as if that Committee had been absorbed under this Scheme.

Absorption of Undertakings.

4. The undertakings of the absorbed Companies are hereby transferred to and absorbed by and shall form part of the undertaking of the Company and such transfer and absorption shall take effect as on and from the date of vesting.

Dissolution of Absorbed Companies.

5. On and from the date of approval the absorbed Companies shall be and are hereby dissolved subject to the provisions hereinafter contained in the Sections the side notes whereof are "Dornoch Light Railway Company" "Wick and Lybster Light Railway Company," and "Directors, &c., to continue in office for certain purposes."

Creation of Capital for Absorption.

6. On the date of approval the Company shall be deemed to have created and issued by virtue of this Scheme and without further or other authority the capital necessary to give effect to the provisions of this Scheme as set out in column 3 of the First Part of the Schedule hereto and the creation and issue of such capital shall not affect the powers of the Company existing at the date of approval to create and issue capital.

Repeal of Unexercised Capital Powers of Absorbed Companies.

7. On and from the date of approval all unexercised powers of raising money conferred upon the absorbed Companies are hereby repealed.

Stockholders' Rights.

8.—(1) Except as otherwise provided by Subsection (2) of this Section stock deemed to have been created and issued by the Company under this Scheme shall rank for dividend or interest as the case may be, as from and including the 1st day of January, 1923, and shall have the same rights and privileges as stock of the same class in the original capital of the Company had at the date of vesting.

(2) The interest or dividend to be paid by the Company for the half-year ending on the 30th day of June, 1923, on the stock of the Company which under this Scheme is allocated in substitution for the stock of the

absorbed Companies specified in this Subsection shall be interest or dividend at the appropriate rate calculated from and including the dates hereunder mentioned, that is to say :—

On the stock of the Company allocated in substitution for

(i) The Portpatrick and Wigtownshire Joint Committee 3½ per cent. Guaranteed Stock .. .. 1st February, 1923.

(ii) The Mold and Denbigh Junction Railway Company 5 per cent. Debentures " A " 1st April, 1923.

STOCK OF COMPANY TO BE EXCHANGED FOR CERTAIN STOCK OF ABSORBED COMPANIES.

9. The several persons who immediately before the date of approval are the registered holders of the stock of the absorbed Companies described in the second column of the First Part of the Schedule hereto * (except the holders of stock for which cash is to be paid as hereinafter provided) shall on and from such date by virtue of this Scheme become and be registered holders of stock of the Company of the class and in the proportions specified in the said Part of the said Schedule in lieu of and in exchange for the stock of the absorbed Companies held by them respectively.

COMPANY TO PAY CASH FOR CERTAIN STOCK.

10.—(1) The several persons who immediately before the date of approval are the registered holders of the following stocks of the absorbed Companies (that is to say) :—

£1,752—4 per cent. Debenture
£13,072 Ordinary } Stock in the capital of the Dornoch Light Railway Company,

£586,177 Ordinary Stock in the capital of the Stratford-upon-Avon and Midland Junction Railway Company,

£42,515 Ordinary Stock in the capital of the Wick and Lybster Light Railway Company,

shall be entitled to be paid by the Company as hereinafter provided the amount of cash specified in the First Part of the Schedule hereto in lieu of and in exchange for the stock of the absorbed Companies held by them respectively, and such cash shall, subject to the provisions of this Scheme, be paid by the Company by warrant to the person entitled thereto forthwith after receipt by the Secretary of the Company of the Certificate of the Stock in respect of which the same is payable, and in cases where persons are jointly the holders of stock for which cash is payable the same shall be paid as aforesaid to such persons jointly.

(2) Subject to the provisions of this Section the Company shall pay interest on the cash payable under this Scheme in respect of the ordinary

* *See* Appendix IV.

stock in the capital of the Stratford-upon-Avon and Midland Junction Railway Company from the date of vesting to the 31st day of March, 1923, at the rate of 4 per cent. per annum.

(3) Within ten days after the date of approval the Company shall send by post to each person who is the registered holder of any of the stock mentioned in Subsection (1) of this Section a notice directed to such person at his registered or last known address containing a copy of this Section and stating what sum such person is entitled to be paid under the provisions of this Scheme upon receipt by the Secretary of the Company of the certificate of the stock in respect of which cash is payable, and where under the provisions of this Scheme interest is payable upon cash to be paid for stock of the absorbed Companies such interest shall not be payable to any person to whom notice as aforesaid is sent after the expiration of twenty-eight days from the date upon which such notice is posted.

(4) Where persons are jointly the registered holders of any of the stock mentioned in Subsection (1) of this Section notice under Subsection (3) of this Section given by the Company to the person who is named first in the register shall be notice given to all the registered holders of such stock.

CERTAIN STOCK TO BE CANCELLED.

11. On the date of approval the stock of the absorbed Companies described in the Second Part of the Schedule hereto being stock which is held by or on behalf of the Company or the Caledonian Railway Company and the stock mentioned in Section 10 hereof for which cash is to be paid by the Company, is hereby cancelled.

STOCKHOLDERS OF ABSORBED COMPANIES TO ACCEPT STOCK OF COMPANY OR CASH.

12. The persons, who by virtue of this Scheme become the registered holders of stock of the Company, or to whom the amount of cash to which they are entitled under this Scheme is paid, shall (subject to the provisions of this Scheme) accept and be deemed to have accepted the stock allocated, or the cash paid, to them under this Scheme in substitution for the stock of the absorbed Companies held by them and in satisfaction of all claims arising thereunder.

CERTIFICATES OF THE ABSORBED COMPANIES DEEMED CERTFICATES OF THE COMPANY.

13.—(1) Subject to the provisions of Subsection (2) of this Section any holder of stock of the absorbed Companies who shall deliver to the Secretary of the Company the certificate of such stock to be cancelled shall be entitled without payment to receive from the Company in substitution for the certificate so delivered a certificate of the stock of the Company which is allocated to such holder by this Scheme in substitution of the stock of which the certificate is so delivered.

Provided that (subject to the provisions hereinafter contained relating to fractional parts of a pound of stock) until such substitution the certificates of stock of the absorbed Companies shall be deemed to be the certificates of the stock of the Company which is allocated by this Scheme to the holders of such certificates.

(2) No holder of stock of the absorbed Companies specified in Section 8 (2) hereof shall be entitled to receive from the Company the certificate of the stock of the Company of which by virtue of this Scheme he becomes the registered holder (*a*) the first day of July, 1923, in cases where the stock of the Company of which by virtue of this Scheme he becomes the registered holder is debenture stock, or (*b*) the stock registers of the Company have been opened after the closing thereof for the purposes of the declaration and payment of dividends for the half-year ending 30th day of June, 1923, in cases where the stock of the Company of which by virtue of this Scheme he becomes the registered holder is not debenture stock.

(3) Any instrument of transfer of any of the stock of the absorbed Companies specified in Section 8 (2) hereof which may be lodged for registration together with a certificate of such stock before the 1st day of July, 1923, or as the case may be the aforementioned opening of the stock registers of the Company may be registered by the Company in the book in which the same would have been registered, and a certificate or certificates for the same stock may be issued by the Company in the same form as would have been issued by the absorbed Companies if the absorbed Companies had not been absorbed.

LOST CERTIFICATES.

14. (Common form.)

FRACTIONS.

15. (Common form.)

STOCK OF COMPANY SUBJECT TO SAME TRUSTS AS STOCK OF ABSORBED COMPANIES.

16. Stock of the Company substituted by virtue of this Scheme for stock of the absorbed Companies and cash paid under this Scheme to the holders of stock of the absorbed Companies shall be held upon and subject to the same trusts, liens, charges, powers and other legal or equitable rights, privileges and restrictions as affected the stock for which by virtue of this Scheme the same is substituted or cash is paid, and any reference in any Act of Parliament, deed, will, codicil, book, document, instrument or writing to stock of the absorbed Companies shall be deemed to be a reference to the stock of the Company substituted therefor or the cash paid therefor by virtue of this Scheme.

ENTRIES IN STOCK REGISTERS.

17. Stockholders entitled to stock of the Company by virtue of the provisions of this Scheme shall be entered in the books of the Company

in the same terms as immediately before the date of approval they are entered in the books of the absorbed Companies.

COMPENSATION TO RETIRING DIRECTORS.

18. Any compensation which the proprietors of the absorbed Companies may have determined to pay out of their respective assets to all or any of their respective directors who suffer loss by abolition of office and not paid by the absorbed Companies respectively shall be paid by the Company. Provided that this Section shall not apply with respect to the Dornoch Light Railway Company or the Wick and Lybster Light Railway Company.

DORNOCH LIGHT RAILWAY COMPANY.

19. The following provisions shall apply with respect to the Dornoch Light Railway Company (hereafter in this Section called " the Dornoch Company ") :—

(1) The Company shall (subject to the provisions of this Scheme) pay to the persons entitled to the cash payable under this Scheme in respect of the Dornoch Company's debentures interest on such cash at the rate of 5 per cent. per annum from 11th day of November, 1922, to the date of payment, and such interest shall be in lieu of, and in full satisfaction of all claims for interest upon or in respect of the said debentures for any period subsequent to 11th day of November, 1922.

(2) The Dornoch Company shall retain all cash in hand and at the bank and all Government securities held by it at 31st day of December, 1922, and out of such moneys and securities shall pay (*a*) all usual and necessary outgoings and discharge all debts and liabilities of the Dornoch Company up to the 31st day of December, 1922 (except interest subsequent to 11th day of November, 1922, on its debentures), (*b*) to the Company the amount of money required to meet all dividends unclaimed at 31st day of December, 1922, and all interest on debentures unclaimed in respect of any period prior to 11th day of November, 1922, and (*c*) such compensation to its directors who suffer loss from abolition of office as may have been consented to by its proprietors. Provided that for the purposes of this subsection any sum due or payable to the Company in respect of loss incurred in working the undertaking of the Dornoch Company during the year 1922 shall not be deemed to be an outgoing or debt or liability of the Dornoch Company.

(3) Any balance of the moneys (including proceeds of securities) retained by the Dornoch Company remaining after making the payments referred to in the last preceding subsection

shall be divided rateably amongst the persons who immediately before the date of approval are the registered holders of the Ordinary Stock of the Dornoch Company in accordance with their respective holdings.

(4) The directors, secretary and auditors of the Dornoch Company shall remain in office for a period of three months after the date of approval for the purpose of winding up the affairs of the Dornoch Company in this Section mentioned and at the expiration of that period the Dornoch Company shall by virtue of this Scheme be dissolved for all purposes.

Wick and Lybster Light Railway Company.

20. The following provisions shall apply with respect to the Wick and Lybster Light Railway Company (hereafter in this Section called "the Wick Company")

(1) The Wick Company shall retain all cash in hand or at the bank at 31st day of December, 1922, and out of such moneys shall pay (*a*) all usual and necessary outgoings and discharge all debts and liabilities of the Wick Company up to 31st day of December, 1922, (*b*) to the Company the amount of money required to meet all unclaimed dividends, and (*c*) such compensation to its directors who suffer loss from abolition of office as may have been consented to by its proprietors. Provided that for the purposes of this subsection any sum due or payable to the Company in respect of loss incurred in working the undertaking of the Wick Company to the 31st day of December, 1922, and the loan of £2,000 made by His Majesty's Treasury to the Wick Company shall not be deemed to be outgoings or debts or liabilities of the Wick Company.

(2) Any balance of the moneys retained by the Wick Company remaining after making the payments referred to in the last preceding subsection shall be divided rateably amongst the persons who immediately before date of approval are the registered holders of the Ordinary Stock of the Wick Company in accordance with their respective holdings.

(3) The directors, secretary and auditors of the Wick Company shall remain in office for a period of three months after the date of approval for the purpose of winding up the affairs of the Wick Company in this Section mentioned and at the expiration of that period the Wick Company shall by virtue of this Scheme be dissolved for all purposes.

Directors, &c., to continue in Office for Certain Purposes.

21. The following provisions shall apply with respect to such of the absorbed Companies as shall not at the date of approval have held general meetings for the purpose of receiving the statements of accounts

and declaring dividends for the year ending the 31st day of December, 1922, and for providing with the consent of the Proprietors for payment of compensation in accordance with the Railways Act to the Directors of such Companies respectively who suffer loss by abolition of office :—

(1) The persons who are Directors, Officers and Auditors of each of such absorbed Companies in office immediately before the date of approval or the survivors of them shall continue in office for the purpose of the preparation and auditing of accounts and balance sheets, the production of the same to the proprietors of such absorbed Company, the declaration of dividend for the year ending the 31st day of December, 1922, and for summoning, holding and conduct of a general meeting of such Company.

(2) The persons who immediately before the date of approval are the proprietors of such absorbed Companies shall be deemed to be proprietors of such Company for the purposes of receiving the statements of account and declaring and receiving and recovering the dividends of such Company for the year ending the 31st day of December, 1922, and determining what compensation shall be paid to its Directors who suffer loss by abolition of office.

Superannuation Funds and Savings Banks.

22.—(1) There shall be continued to the persons who are or have been members of any Superannuation, Pension or other Benefit Fund referred to in Section 37 of the North Western Midland and West Scottish Group Amalgamation Scheme, 1922, and to any past or present officers or servants of the Portpatrick and Wigtownshire Joint Committee who are or have been members of the Caledonian Railway Superannuation Fund and to any persons claiming in right of such members the same benefits, rights and privileges whether obtaining legally or by customary practice as such persons would have been or might have become entitled to from any such fund if the absorbed Companies had not been absorbed by the Company.

(2) There shall be continued to the persons who are or have been depositors in any savings bank referred to in Section 37 of the North Western Midland and West Scottish Group Amalgamation Scheme, 1922, and to any persons claiming in right of such depositors the same benefits, rights and privileges as such persons would have been or might have become entitled to from any such savings bank if the absorbed Companies had not been absorbed by the Company.

Management between Date of Vesting and Date of Approval.

23. During the period between the date of vesting and the date of approval, the undertakings of the absorbed Companies shall be deemed to have been carried on by such Companies respectively as agents for

and on behalf of the Company and during such period the Company shall be deemed to have been, and shall be, liable alone for all debts and liabilities contracted by the absorbed Companies respectively, and shall be deemed to have been, and shall be, alone entitled without any assurance in that behalf to all assets and rights acquired by the absorbed Companies respectively

FOR PROTECTION OF THE POSTMASTER-GENERAL.

24. Nothing in this Scheme shall affect any rights of the Postmaster-General under the Telegraph Act, 1878, to place and maintain telegraphic lines in under upon along over or across any railway or works authorised by an Act passed after the First day of January, One thousand eight hundred and seventy-eight, and comprised in any undertaking by this Scheme vested in the Company, and from time to time to alter such telegraphic lines and to enter upon the land and works comprised in such undertaking for the purposes in the Telegraph Act, 1878, specified, and the Postmaster-General shall after the confirmation of this Scheme be at liberty to exercise all the rights aforesaid in respect of any such railway and works as freely and fully in all respects as he was entitled to do before the confirmation of this Scheme.

THE RAILWAYS (SOUTHERN GROUP) AMALGAMATION SCHEME, 1922. DATED DECEMBER 22, 1922.

PREAMBLE.

WHEREAS the London and South Western Railway Company, the London Brighton and South Coast Railway Company, the South Eastern Railway Company, the London Chatham and Dover Railway Company and the South Eastern and Chatham Railway Companies Managing Committee are the Constituent Companies of the Southern Group of Railways mentioned in the First Schedule to the Railways Act, 1921 (in this Scheme called the Railways Act), and as such are authorised by the Railways Act to submit to the Minister of Transport for reference to the Railways Amalgamation Tribunal a Scheme for Amalgamation :

And whereas the provisions of the Railways Act relating to the procedure preliminary to the submission of a Scheme have been complied with.

NOW THEREFORE pursuant to the provisions of the Railways Act the said Constituent Companies submit the Amalgamation Scheme hereinafter contained.

SHORT TITLE.

1. This Scheme may be cited for all purposes as The Railways (Southern Group) Amalgamation Scheme, 1922.

INCORPORATION OF ACTS.

2.—(1) So far as applicable and as varied by this Scheme there are incorporated with and form part of this Scheme :—

The Companies Clauses Consolidation Act, 1845. except Sections 91 and 109 thereof ;

Part I (relating to cancellation and surrender of shares), Part II (relating to additional capital) and Part III (relating to debenture stock) of the Companies Clauses Act, 1863 ;

as amended by subsequent Acts.

(2) The following parts of Acts are incorporated with and form part of this Scheme (that is to say) :—

Part V (relating to amalgamation) of the Railways Clauses Act 1863, subject to the provisions of the Railways Act ;

The provisions contained in the Third Schedule to the Railways Act (with respect to existing officers and servants).

(3) For the purpose of the incorporation of the above-mentioned enactments this Scheme shall be deemed to be the Special Act and for the purpose of the incorporation of the said Part V any Light Railway Order conferring powers upon the vested companies shall so far as applicable be deemed to be a Special Act relating to or affecting the dissolved Company.

INTERPRETATION.

3. In this Scheme—

" The South Western Company " means the London and South Western Railway Company ;

" The Brighton Company " means the London Brighton and South Coast Railway Company ;

" The South Eastern Company " means the South Eastern Railway Company ;

" The Chatham Company " means the London Chatham and Dover Railway Company ;

" The Managing Committee " means the South Eastern and Chatham Railway Companies Managing Committee ;

" The Vested Companies " means the South Western Company the Brighton Company the South Eastern Company the Chatham Company and the Managing Committee or any of them as the case may be ;

" The Company " means the Company incorporated by this Scheme ;

" The date of vesting " means the first day of January, one thousand nine hundred and twenty-three ;

" Stock " includes annuities, bonds, terminable debentures, terminable loans and contingent rights, unless there be something in the context repugnant to such construction.

AMALGAMATION OF UNDERTAKINGS.

4.—(1) On and from the date of vesting the undertakings of the Vested Companies are hereby amalgamated and the undertakings so amalgamated shall constitute one undertaking and shall be vested in and be the undertaking of the Company.

(2) All property, assets, funds and moneys, including moneys received or receivable under the provisions of the Railways Act remaining in the hands of or accruing to the Vested Companies respectively shall be and become the property of the Company.

(3) The Vested Companies shall provide up to the date of vesting for their land, rent charges and fixed and guaranteed charges and interest on their debenture stock and loans and dividends on their preference stock and for such dividends on their ordinary stock as may be declared by such Companies respectively in general meeting.

DISSOLUTION OF VESTED COMPANIES AND INCORPORATION OF COMPANY.

5. On and from the date of vesting the Vested Companies respectively shall (except for the purposes by this Scheme authorised and directed) be and are hereby dissolved and the several persons who on the date of vesting by virtue of this Scheme become the registered holders of stock of the Company (other than terminable loans and debenture stock) shall be and are hereby united into a Company and shall be and are hereby incorporated by the name of The Southern Railway Company, and by that name shall be a body corporate with perpetual succession and a common seal and with power to purchase take hold and dispose of lands and other property for the purposes of the Company.

ORIGINAL CAPITAL OF COMPANY.

6. The original capital of the Company shall be and shall consist of the stock set forth in the First Schedule hereto together with any additions that may be made thereto under the provisions of this Scheme, and (subject to the provisions of this Scheme) such stock shall on the date of vesting be deemed to have been created and issued by virtue of this Scheme and without further or other authority.

STOCK OF VESTED COMPANIES TO BE EXCHANGED FOR STOCK OF COMPANY.

7.—(1) The several persons who immediately before the date of vesting are the registered holders of stock of the Vested Companies described in the second and third columns of the Second Schedule hereto * shall on and from the date of vesting by virtue of this Scheme become and be registered holders of stock of the Company of the class or classes and in the proportions specified in the said Second Schedule in lieu of and in exchange for the stock of the Vested Companies held by them respectively.

(2) The holder of any of the perpetual annuities mentioned in the second column of the Second Schedule hereto may by notice in writing

* *See* Appendix V.

to the Company on or before the thirty-first day of January, one thousand nine hundred and twenty-three, require the Company to assume the obligations of the South Eastern Company in respect of all or any part of the perpetual annuities held by him which existed immediately before the date of vesting, and upon such notice being given such holder shall not become or be the registered holder of the stock of the Company by this Scheme allocated to him in respect of the perpetual annuities comprised in the notice, but as on and from the date of vesting the Company shall become and be liable to the holder of such perpetual annuities for all moneys payable in respect thereof according to the terms upon which the same were held immediately before the date of vesting in substitution for the South Eastern Company and that Company shall be discharged from all such liability.

(3) The Company shall not be entitled to create or issue so much of the stock of the Company as by reason of any such notices as aforesaid shall not be required for allocation under this Scheme to the holders of any of the said perpetual annuities and the amount of the four per cent. debenture stock included in the original capital of the Company shall be reduced accordingly.

Stockholders of Vested Companies to accept Stock of Company.

8. (Common form.)

Preference and Ordinary Stock—Priorities.

9. Subject to the provisions of this Scheme all the stock forming the original capital of the Company (other than terminable loans and debenture stock) shall respectively have and be subject to the rights, privileges, priorities and incidents hereinafter mentioned that is to say :—

(*a*) The five per cent. guaranteed preference stock shall be entitled to a fixed cumulative preferential dividend of five per cent. per annum payable half-yearly out of the profits of the Company in any year or years in priority to the other preferential stock and the ordinary stock of the Company ;

(*b*) The five per cent. preference stock the five per cent. redeemable preference stock (1924) and the five per cent. redeemable preference stock (1926) shall rank for dividend *pari passu* next after the five per cent. guaranteed preference stock and in priority to the ordinary stock of the Company and shall be entitled to a fixed preferential dividend of five per cent. per annum payable half-yearly out of the profits of the Company in each year. Provided that if in any year ending the thirty-first day of December there are not profits available for the payment of the full amount of such dividends for that year no part of the deficiency shall be made good out of the profits of any subsequent year ;

(*c*) (1) The five per cent. redeemable preference stock (1924) and the five per cent. redeemable preference stock (1926) shall be redeemed at par by the Company as to the first-mentioned stock on the thirty-first day of December, one thousand nine hundred and twenty-four, and as to the last-mentioned stock on the thirty-first day of March, one thousand nine hundred and twenty-six, or such stock respectively may be redeemed at par by the Company before such respective dates on giving to the registered holders thereof not less than six months' notice in writing expiring at any time;

(2) It shall be lawful for the Company from time to time to issue new stock other than debenture stock or guaranteed preference stock (and as regards any preference stock whether redeemable or otherwise) for a nominal amount not exceeding the nominal amount of such five per cent. redeemable preference stock which shall have been redeemed or for the purposes of redemption of or in substitution for any such redeemable preference stock;

(3) The Company may from time to time set apart out of net revenue after providing for the payment of interest or dividends on any loans, mortgages, bonds or debenture stock or preference stock of the Company such sums as it may consider necessary for the purposes of redeeming any redeemable preference stock which it may desire to redeem otherwise than by the issue of new stock under the powers of this section. All sums so set apart shall be applied to the redemption at maturity of any redeemable preference stock for the redemption of which they have been set apart, or may if the directors of the Company think fit be applied to the purchase of any such stock at a price not exceeding the redemption price, and any stock so purchased shall be treated as redeemed.

(*d*) Ordinary stock—

(1) The preferred ordinary stock shall as between the preferred ordinary stock and the deferred ordinary stock be entitled to a fixed maximum dividend at the rate of five per cent. per annum and in respect thereof shall at all times have priority over the deferred ordinary stock and shall at all times and to all intents rank next after the five per cent guaranteed preference stock, the five per cent. preference stock, the five per cent. redeemable preference stock (1924) and the five per cent. redeemable preference stock (1926). Provided that if in any year ending on the thirty-first day of December there are not profits available for the payment of such maximum dividend for that year no part of the

deficiency shall be made good out of the profits of any subsequent year ;

(2) The deferred ordinary stock shall be entitled to a dividend in respect of each year out of any balance of net revenue available for the purpose after provision has been made for payment of the maximum dividend of five per cent. per annum upon the preferred ordinary stock and subject to the provisions herein contained relating to the ordinary A stock and the ordinary B stock ;

(3) The ordinary A stock shall rank for dividend *pari passu* with the deferred ordinary stock. Provided that the dividend in respect of any year on the ordinary A stock shall not exceed three and a half per cent. ;

(4) The ordinary B stock shall rank for dividend *pari passu* with the deferred ordinary stock in respect of any amount available in any year after three and a half per cent. has been provided on the deferred ordinary stock and the ordinary A stock in respect of the same year ;

(5) Any dividend on the preferred ordinary stock shall be paid half-yearly and any dividends on the deferred ordinary stock and the ordinary A stock and the ordinary B stock shall be paid yearly.

Terminable Loans and Debenture Stock—Priorities.

10.—(1) The terminable loans and the debenture stock forming part of the original capital of the Company shall in respect of the undertaking of the Company have and be subject to the rights, privileges, priorities and incidents hereinafter mentioned, that is to say :—

(*a*) The terminable loans shall have such rights, privileges, priorities and incidents as may attach immediately before the date of vesting to the respective securities to be exchanged for such loans ;

(*b*) The debenture stock shall rank for interest *pari passu* with the terminable loans and shall have the rights, privileges, priorities and incidents prescribed and conferred by Part III of the Companies Clauses Act, 1863.

Interest upon the terminable loans and the debenture stock shall be due and payable half-yearly on the thirtieth day of June and the thirty-first day of December in each year.

(2) Upon any part of the terminable loans being paid off the Company shall have the like power to reborrow the amount so paid off as if the same had been originally borrowed on mortgage by the Company.

Voting Rights.

11.—(1) At all general meetings of the Company every registered holder of the preferred ordinary stock the deferred ordinary stock and

the ordinary A stock forming part of the original capital of the Company and unless otherwise provided by the terms of creation or issue thereof of any similar stock that may after the date of vesting be created by the Company under the provisions of this Scheme shall be entitled to one vote in respect of every fifty pounds of such stock up to five hundred pounds and one additional vote for every additional two hundred and fifty pounds beyond five hundred pounds and every registered holder of the ordinary B stock the five per cent. guaranteed preference stock the five per cent. preference stock the five per cent. redeemable preference stock (1924) and the five per cent. redeemable preference stock (1926) forming part of the original capital of the Company and unless otherwise provided by the terms of creation or issue thereof of any similar stock that may after the date of vesting be created by the Company under the provisions of this Scheme shall be entitled to one vote in respect of every one hundred pounds of such stock up to one thousand pounds and one additional vote for every additional five hundred pounds beyond one thousand pounds.

(2) Except as varied by this section the provisions of the Companies Clauses Consolidation Act 1845 with regard to voting at general meetings shall apply to the Company.

(3) The registered holders of terminable loans and debenture stock respectively shall have no voting rights in respect thereof.

New Certificates to Stockholders.

12. Any holder of stock of any of the Vested Companies who shall deliver to the Secretary of the Company the certificate of such stock to be cancelled shall be entitled without payment to receive from the Company in substitution for the certificate so delivered a certificate of the stock which is allocated to such holder by this Scheme in substitution for the stock of which the certificate is so delivered. Provided that until such substitution the certificates of stock of the Vested Companies shall subject to the provisions hereinafter contained relating to fractional parts of a pound of stock be deemed to be certificates of the stock of the Company allocated to the holders of such certificates by this Scheme.

Lost Certificates.

13. (Common form.)

Fractions.

14. (Common form.)

Stock of Company Subject to Same Trusts &c. as Stock of Vested Companies.

15. (Common form.)

Trustee Investments.

16. For the purposes of the Trustee Act 1893 the Trusts (Scotland) Act 1921 and any Acts amending the same the preferred ordinary

stock the deferred ordinary stock the ordinary A stock and the ordinary B stock shall together be deemed to be the ordinary stock of the Company and the Company shall in each year be deemed to have paid a dividend upon its ordinary stock at the rate at which such dividend would have been paid if the moneys distributed in that year by way of dividend upon the preferred ordinary stock the deferred ordinary stock the ordinary A stock and the ordinary B stock had been distributed rateably upon those stocks without any preference or priority.

Absorption of Subsidiary Companies.

17.—(1) Nothing in this Scheme shall prevent the Vested Companies or any of them from submitting to the Minister of Transport for reference to the Railways Amalgamation Tribunal under the Railways Act at any time before the first day of January one thousand nine hundred and twenty-three an agreed preliminary scheme for the absorption by any of the Vested Companies of any subsidiary Company or Companies in the Southern Group.

(2) (*a*) In the event of any absorption scheme so submitted being approved by the said Tribunal and providing for the allocation of stock of any of the Vested Companies to the holders of shares stock or securities of the absorbed Company the original capital of the Company shall be increased by the addition of such amount of stock as may be required for allocation amongst the persons becoming entitled under such absorption scheme to such stock of the Vested Companies as if such persons had been the registered holders of such last-mentioned stock immediately before the date of vesting.

(*b*) On the date of vesting the several persons who immediately before such date are or under such absorption scheme are deemed to be the registered holders of stock of any of the Vested Companies allocated under any such absorption scheme shall respectively by virtue of this Scheme have allocated to them and become and be the registered holders of stock in the original capital of the Company of the same class in the same proportions upon the same conditions and subject to the same provisions as if they had respectively been at the date of vesting the registered holders of some part of the stock of that one of the Vested Companies.

(3) (*a*) In the event of any absorption scheme so submitted being approved by the said Tribunal and providing for the allocation of stock of the Company to the holders of shares stock or securities of the absorbed Company the original capital of the Company shall be increased by the addition of the amount of stock required to provide for such allocation.

(*b*) As on the date of vesting the several persons who shall become entitled to such stock of the Company under or by virtue of such absorption scheme shall respectively by virtue of this Scheme have allocated to them and become and be the registered holders of such stock of the

Company of the class in the proportions and upon the conditions and subject to the provisions specified in such absorption scheme.

Repeal of Unexercised Capital Powers.

18. On and from the date of vesting all unexercised powers of raising money conferred upon the Vested Companies respectively are hereby repealed. Provided that any powers for raising additional capital or for borrowing which may be conferred upon any of the Vested Companies by any such absorption scheme as is referred to in the last preceding section may to the like extent and subject to the like restrictions and conditions be exercised by the Company.

Additional Capital.

19. The Company may raise by the creation and issue of new stock (other than terminable loans or debenture stock) such additional capital as it shall think necessary not exceeding three million five hundred and forty-three thousand eight hundred and forty pounds and the Company may create and issue such new stock either wholly or partially as ordinary stock or wholly or partially as preference stock as it may think fit. Provided that notwithstanding anything contained in the Companies Clauses Act 1863 any such preference stock may bear such rate of dividend as the Directors of the Company determine at the time or times of the creation or issue thereof.

Disposal of New Stock.

20. The Company may in issuing any new stock under the powers of this Scheme dispose of the same at such times to such persons on such terms and conditions and in such manner as the Directors of the Company think advantageous to the Company.

New Stock Subject to same Incidents as Original Capital.

21. Any new stock created by the Company under this Scheme otherwise than as terminable loans or debenture stock shall unless otherwise provided by the terms of creation or issue thereof be subject and entitled to the same powers provisions forfeitures liabilities rights privileges and incidents as if that stock were part of the original capital stock of the Company of the same class and denomination.

Power to Cancel Unissued Stock.

22. If the Company after having created any new stock in respect of such additional capital determines not to issue the whole of the stock created it may cancel the unissued stock and may from time to time thereafter create and issue instead thereof other new stock of an aggregate amount not exceeding the aggregate amount of the stock so cancelled.

Power to Borrow.

23. The Company may borrow on mortgage of its undertaking any sums not exceeding in the whole three million six hundred and thirteen

thousand one hundred and ninety-three pounds and of that sum it may borrow from time to time :—

(*a*) Any sums not exceeding in the whole two million six hundred and thirteen thousand one hundred and ninety pounds without being required to obtain the certificate of a justice under Section 40 of the Companies Clauses Consolidation Act 1845 ; and

(*b*) In respect of three million and nine pounds (part of the additional capital of three million five hundred and forty-three thousand eight hundred and forty pounds which it is by this Scheme authorised to raise) any sums not exceeding in the whole one million and three pounds and of such sum of one million and three pounds the Company may borrow from time to time any sum or sums not exceeding in the whole one-third part of the said amount of three million and nine pounds which at the time has been actually issued and accepted but no part thereof shall be borrowed until stock for one-half of the portion of the additional capital in respect of which it is borrowed is fully paid up and the Company has proved to the justice who is to certify under Section 40 of the Companies Clauses Consolidation Act 1845 before he so certifies that stock for the whole of the portion of the said capital has been issued and accepted and has been paid up bona fide to the extent of one-half and is held by the persons to whom the same was issued or their executors administrators or assigns. Upon production to such justice of the books of the Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which shall be sufficient evidence thereof.

APPOINTMENT OF RECEIVER.

24. (Common form.)

DEBENTURE STOCK.

25. The Company may create and issue debenture stock subject to the provisions of Part III of the Companies Clauses Act 1863 but notwithstanding anything therein contained the interest of all debenture stock and of all mortgages at any time created and issued or granted by the Company under this Scheme or any Act of Parliament hereafter passed shall subject to the provisions of any such Act rank pari passu (without respect to the date of the securities or of the Acts of Parliament or resolutions by which the stock and mortgages were authorised) and shall have priority over all principal moneys secured by such mortgages.

REDEEMABLE PREFERENCE AND DEBENTURE STOCK.

26.—(1) If the Company desires to raise any capital by the issue of preference stock or to issue any debenture stock which it is by this

Scheme authorised to create or issue it may create and issue such preference stock or debenture stock so as to be redeemable at such times and in such manner and on and subject to such terms and conditions and to bear such rate or rates of dividend or interest as the Directors of the Company at the time or times of the creation or issue thereof shall determine.

(2) There shall be stated on each certificate of any such redeemable preference or redeemable debenture stock the time at which and the manner in which and the terms and conditions on and subject to which such stock is to be redeemed.

(3) For the purpose of providing money for paying off or redeeming any such redeemable preference or redeemable debenture stock the Company may create and the Directors of the Company may issue other stock either ordinary preference or debenture stock and either redeemable or not or the Directors of the Company may re-issue any preference or debenture stock originally created and issued in pursuance of the provisions of this Scheme. Provided that the creation and issue of any particular class of stock in pursuance of the provisions of this section does not make the total amount of that class of stock issued exceed the amount of that class of stock which the Company is for the time being authorised to create and issue except during the necessary interval between the creation and issue of the new stock and the redemption of the old stock.

REDEMPTION FUND.

27.—(1) The Company may from time to time set aside out of net revenue and after providing for the payment of interest or dividends on any loans mortgages bonds or debenture stock or preference stock of the Company and for other fixed charges and obligations such sums as the Company may consider proper for the purpose of forming a fund for the redemption at maturity of any redeemable stock which the Company may have issued in pursuance of the provisions of this Scheme and which under the conditions of the issue thereof is redeemable wholly or partly in cash and the Company may invest any sums so set apart and the income therefrom in any securities in which trustees are for the time being by law authorised to invest trust funds or in any other securities (not being except as hereinafter provided securities of the Company) in which it may be authorised to invest those sums by a resolution passed at a general meeting of the Company.

(2) All sums so set apart shall be applied to the redemption at maturity of any redeemable stock for the redemption of which they have been set apart or may if the Directors of the Company think fit be applied to the purchase of any such stock at a price not exceeding the redemption price and any stock so purchased shall be treated as redeemed.

APPLICATION OF CAPITAL.

28. All moneys raised by the Company under this Scheme whether by the issue of stock or by borrowing shall be applied only to the purposes to which capital is properly applicable.

APPLICATION OF MONEYS.

29. All moneys and securities held by the Vested Companies at the date of vesting and which on the date of vesting by virtue of this Scheme become the property of the Company may be applied by the Company to any purposes of the Company corresponding to those to which the Vested Companies might have applied the said moneys if the undertakings of the Vested Companies had not been amalgamated.

RECEIPT IN CASE OF PERSONS NOT *Sui Juris*.

30. (Common form.)

INTEREST ON MONEY ADVANCED BEYOND CALLS.

31. Nothing in this Scheme shall prevent the Company from paying such interest on money advanced beyond the amount of calls actually made as is in conformity with the Companies Clauses Consolidation Act 1845 but save as aforesaid no interest or dividend shall be paid out of any capital moneys of the Company.

PROOF OF TRANSMISSION BY WILL, &C.

32. For the purposes of Section 19 of the Companies Clauses Consolidation Act 1845 a Confirmation or Testament Dative granted by any Court in Scotland having authority to grant the same shall have the same effect as the Probate of a Will or Letters of Administration.

FIRST DIRECTORS OF COMPANY.

33.—(1) For the period commencing on the date of vesting and ending on the date of the annual general meeting of the Company to be held in the year one thousand nine hundred and twenty-four the Company shall be directed by a Board consisting of twenty-one Directors of whom eight shall be elected by the proprietors of the South Western Company five shall be elected by the proprietors of the Brighton Company five shall be elected by the proprietors of the South Eastern Company and three shall be elected by the proprietors of the Chatham Company.

(2) The Directors to be so elected shall be chosen from amongst the directors of the Vested Companies respectively (other than the Managing Committee) holding office at the time of such election and shall hold office until the date of the said annual general meeting of the Company to be held in the year one thousand nine hundred and twenty-four and shall then retire but any Director so retiring may if otherwise qualified be elected as a Director of the Company under the provisions hereinafter contained.

(3) In the event of a casual vacanacy occurring during the said period amongst the Directors the vacancy shall be filled by a person co-opted by the other Directors being a person who was immediately before the date of vesting a Director of the one of the Vested Companies by the proprietors of which the vacating Director was elected or if there shall be no such person available or willing to act a person being a stockholder of the Company who in the opinion of the Directors of the

Company was immediately before the date of vesting specially concerned or interested as a stockholder or otherwise in the undertaking of any one of the Vested Companies.

(4) For the said period the remuneration of the Directors elected under the provisions of this section and of the Auditors to be nominated as hereinafter provided may be determined by such Directors and paid accordingly subject to confirmation by the proprietors at the said annual general meeting of the Company to be held in the year one thousand nine hundred and twenty-four.

DIRECTORS AFTER FIRST ANNUAL GENERAL MEETING.

34.—(1) At the annual general meeting of the Company to be held in the year one thousand nine hundred and twenty-four the proprietors shall elect a Board of Directors consisting of not more than twenty-one persons of whom one-third shall be deemed to have been elected for one year and one-third shall be deemed to have been elected for two years and the Directors who shall be deemed to have been elected for one year and two years respectively shall be selected by lot unless the Directors otherwise agree.

(2) Except as otherwise herein provided the term of office of a Director shall be three years but on retirement a Director may if otherwise qualified be re-elected.

(3) No person shall be capable of being a Director of the Company under the provisions of this section or continue to hold the office unless he be possessed in his own right of—

(*a*) Preferred ordinary stock of a nominal amount of not less than two thousand pounds; or

(*b*) Deferred ordinary stock of a nominal amount of not less than four thousand pounds; or

(*c*) Partly preferred ordinary stock and partly deferred ordinary stock of an aggregate nominal amount (the deferred ordinary stock being taken for this purpose at half its nominal amount) of not less than two thousand pounds;

(4) A candidate for election as a Director at a general meeting of the Company shall not be eligible to be elected unless he shall have held the prescribed amount of stock for not less than three months before the meeting at which he is a candidate for election and unless he shall have signified that he is a candidate by notice in writing to the Secretary of the Company delivered at the office of the Company at least thirty days before such meeting. In the case of a Director retiring by rotation notice of opposition to his re-election shall be given by a similar notice not less than ten days before such meeting.

(5) It shall be lawful for the Company from time to time at a general meeting to reduce or increase the number of Directors. Provided that the reduced number shall not at any time be less than eleven and the increased number shall not at any time exceed twenty-one.

(6) Any casual vacancy occurring amongst the Directors after the first annual general meeting of the Company to be held in the year one thousand nine hundred and twenty-four shall be filled by a duly qualified person co-opted by the Directors and any person co-opted to fill a casual vacancy shall hold office for the same period as that for which his predecessor would have held office.

General Meetings Quorum Transfer Books and Auditors.

35. The following provisions relating to general meetings transfer books and Auditors shall apply to the Company that is to say :—

(*a*) General meetings.—The annual general meeting of the Company to be held in the year one thousand nine hundred and twenty-four shall be held not later than the thirty-first day of March in that year and the subsequent annual general meetings shall be held in the months of February or March of each year and all general meetings shall be held at a place to be appointed from time to time by the Directors ;

(*b*) Quorum.—The quorum for a meeting of the Company shall be twenty stockholders holding in the aggregate stock (other than terminable loans or debenture stock) of the Company of a nominal value of one million pounds ;

(*c*) Transfer books.—It shall be lawful for the Directors of the Company to close the registers of transfers of stock for a period not exceeding twenty-one days previous to each annual general meeting ;

(*d*) Auditors.—There shall be not more than three and not less than two Auditors who shall in the first instance be nominated by the Directors of the Company and who shall take office on and from the date of vesting.

Powers of Company as to Directors Auditors &c.

36. Except as otherwise herein provided the choice and removal of the Directors and of the Auditors the determination as to the remuneration of the Directors and of the Auditors the determination as to the amount of money to be borrowed on mortgage the determination as to the augmentation of capital and the declaration of dividends other than interim dividends shall be exercised only at a general meeting of the Company.

Joint Holders Voting.

37. Where several persons are jointly entitled to and registered as holders of stock of the Company any one of those persons may vote at any meeting of the Company either personally or by proxy in respect of the stock as if he were solely entitled thereto but if more than one of the joint holders be present at any meeting personally or by proxy the one whose name stands first on the register in respect of the stock shall alone be entitled to vote in respect thereof.

Appointment of Proxies.

38. The attorney of any stockholder duly authorised in writing may appoint a proxy being a stockholder to vote for and on behalf of the stockholder and for that purpose may execute on behalf of the stockholder the necessary form of proxy. Provided that where the stockholder is a body corporate the proxy may be any member of such body though not personally a stockholder in the Company. Provided that the instrument appointing the attorney shall be transmitted to the Secretary of the Company at the same time as or before the instrument appointing the proxy.

Directors &c. of Vested Companies to Continue in Office for Certain Purposes.

39. Notwithstanding anything contained in this Scheme—

(*a*) The persons who are Directors Officers and Auditors of the Vested Companies respectively in office immediately before the date of vesting or the survivors of them shall be deemed to continue in office for the purpose of the preparation and auditing of accounts and balance sheets the production of the same to the proprietors of the Vested Companies respectively the declaration of dividends for the year ending the thirty-first day of December one thousand nine hundred and twenty-two and the summoning holding and conduct of the meetings next hereinafter mentioned ;

(*b*) An ordinary meeting of each of the Vested Companies shall be held in the month of February one thousand nine hundred and twenty-three and the persons who on the thirty-first day of December one thousand nine hundred and twenty-two are the proprietors of the Vested Companies respectively (other than the Managing Committee) shall be deemed to be proprietors of such Vested Companies respectively for the purpose of receiving the statements of accounts and declaring the dividends of such Vested Companies respectively for the year ending the thirty-first day of December one thousand nine hundred and twenty-two.

Compensation of Directors of Vested Companies.

40. Each of the Vested Companies (other than the Managing Committee) may with the consent of its proprietors provide for the payment of compensation out of its assets to the Directors of such Company who suffer loss by abolition of office.

Use of Names of Vested and Subsidiary Companies.

41. During a period of twelve months commencing on the date of vesting the Company shall be entitled to carry on business in the name or names of the Vested Companies or in the name of any subsidiary Company in the Southern Group which has been absorbed in addition

to or in substitution for the name of the Company and all contracts and engagements made or entered into by the Company during the said period in any such name or names shall be binding upon and enforceable by the Company.

Superannuation Funds &c.

42.—(1) Subject to the provisions of this section every superannuation pension accident and other benefit fund (hereinafter called " the said funds ") and every savings bank or institution in the nature thereof (hereinafter called " the said banks ") of or established by the Vested Companies respectively and the respective managements thereof shall continue as if the Vested Companies had not been amalgamated.

(2) For the purposes of the statutory enactments and of the rules and regulations relating to the said funds and banks any power of the Vested Companies or the directors or any officer thereof shall be exercised by the Company or its directors or any officer thereof and the service or employment or dismissal under or by the Company of the officers and servants of the Vested Companies who by virtue of this Scheme become officers and servants of the Company shall be deemed to be service or employment or dismissal under or by that one of the Vested Companies in whose employment the officers or servants respectively were immediately prior to the date of vesting.

(3) The obligations of each of the Vested Companies in respect of the said funds and in respect of the Railway Clearing System Superannuation Fund and in respect of every member of the said funds respectively and of the Railway Clearing System Superannuation Fund whether obtaining legally or by customary practice shall be binding upon the Company.

(4) All persons who are or have been members of any of the said funds or of the Railway Clearing System Superannuation Fund and all persons claiming in right of any such members shall be entitled to the same benefits rights and privileges and subject to the same obligations whether obtaining legally or by customary practice as such persons would have been or might have become entitled or subject to if the Vested Companies had not been amalgamated.

(5) Any person in the service of one of the Vested Companies on the date of vesting not being a member of any of the said funds or a depositor in any of the said banks as the case may be and who becomes an officer or servant of the Company shall so long as he remains in the service of the Company have the same right to become (*a*) a member of any of the said funds or (*b*) a depositor in any of the said banks as he would have had if the Vested Companies had not been amalgamated and he had remained in the service of the same Company. Save as aforesaid and as provided in the next sub-section hereof no person shall be entitled to become a member of any of the said funds or a depositor in any of the said banks who was not so entitled immediately before the date of vesting.

(6) Notwithstanding anything contained in this Scheme the Directors of the Company may permit any person entering the service of the Company on or after the date of vesting to become (*a*) a member of any one of the said funds specified by such Directors subject to the rules thereof or (*b*) a depositor in any one of the said banks specified by such Directors subject to the rules thereof.

FOR PROTECTION OF POSTMASTER-GENERAL.

43. Notwithstanding anything in this Scheme on and from the date of vesting all enactments awards deeds agreements and arrangements containing provisions as between the Postmaster-General and any of the Vested Companies respectively relating to the construction and maintenance of telegraphs shall continue to apply only to the system of railways works and lands which previously to the date of vesting formed the undertaking of such Company and to the Postmaster-General and the Company in respect thereof.

ORIGINAL CAPITAL OF THE SOUTHERN RAILWAY COMPANY.

Description of Stock.	Amount.
	£
Terminable Loans	565,242
4 per cent. Debenture Stock	35,155,987
5 per cent. Guaranteed Preference Stock	4,940,174
5 per cent. Preference Stock	39,738,402
5 per cent. Redeemable Preference Stock (1924)	1,000,000
5 per cent. Redeemable Preference Stock (1926)	175,302
Preferred Ordinary Stock	27,347,621
Deferred Ordinary Stock	27,347,768
Ordinary A Stock	2,480,198
Ordinary B Stock	6,089,521
Total	£144,840,215

THE GREAT WESTERN AND BARRY RAILWAY COMPANIES PRELIMINARY AMALGAMATION SCHEME, 1922. DATED MAY 8, 1922.

PREAMBLE.

Whereas by Section 1 of the Railways Act 1921 (hereinafter referred to as " the Act ") it is provided that certain railway companies named in the second column of the First Schedule thereto (in the Act and hereinafter referred to as " Constituent Companies ") and certain railway companies named in the third column of the said Schedule (in the Act and hereinafter referred to as " Subsidiary Companies ") shall be formed into a Group described in the said Schedule as the Western Group and that the Constituent Companies shall be amalgamated and the Subsidiary Companies absorbed in the manner prescribed by the Act:

And whereas the Constituent Companies comprise the Great Western Railway Company the Barry Railway Company the Cambrian Railways Company the Cardiff Railway Company the Rhymney Railway

Company the Taff Vale Railway Company and Alexandra (Newport and South Wales) Docks and Railway Company :

And whereas by Sub-section (2) of Section 3 of the Act it is enacted (*inter alia*) that with respect to the Western Group the amalgamation scheme shall provide for constituting the Great Western Railway Company the Amalgamated Company and for amalgamating therewith the other constituent companies in the Group and that paragraph (*a*) of Sub-section 1 of the said Section so far as it relates to the incorporation of the Amalgamated Company shall not apply and paragraph (*b*) thereof so far as it relates to the winding-up of the Constituent Companies shall not apply to the Great Western Railway Company :

And whereas by Section 8 of the Act power is given to any two or more Constituent Companies in any Group at any time after the passing of the Act to submit to the Minister of Transport (hereinafter referred to as " the Minister ") for reference to the Railways Amalgamation Tribunal a preliminary scheme for the amalgamation of those companies :

And whereas by the Great Western Railway (Western Group) Preliminary Amalgamation Scheme 1922 the Cambrian Railways Company the Cardiff Railway Company the Rhymney Railway Company the Taff Vale Railway Company and the Alexandra (Newport and South Wales) Docks and Railway Company were amalgamated with the Great Western Railway Company :

And whereas the provisions of the Act relating to the procedure preliminary to the submission of a scheme have been complied with and the Proprietors of the Barry Railway Company have consented to the provisions hereinafter contained for the payment of compensation to the Directors of the said Company who suffer loss by abolition of office :

Now therefore pursuant to the provisions of Section 8 of the Act the Great Western Railway Company and the Barry Railway Company submit the preliminary Amalgamation Scheme hereinafter contained :—

SHORT TITLE.

1. This Scheme may be cited for all purposes as " The Great Western and Barry Railway Companies Preliminary Amalgamation Scheme 1922."

INCORPORATION OF GENERAL ACTS.

2.—(1) The following parts of Acts as varied by this Scheme and as far as applicable are incorporated with and form part of this Scheme (that is to say) :—

The provisions of the Companies Clauses Consolidation Act 1845 with respect to the following matters (namely)—

The distribution of the capital of the Company into shares ;

The transfer or transmission of shares ;

The payment of subscriptions and the means of enforcing the payment of calls;

The forfeiture of shares for non-payment of calls;

The remedies of creditors of the Company against the shareholders;

The borrowing of money;

The conversion of the borrowed money into capital;

The consolidation of shares into stock; and

The provision to be made for affording access to the special Act by all parties interested; and

Part I. (relating to cancellation and surrender of shares) Part II. (relating to additional capital) and Part III. (relating to debenture stock) of the Companies Clauses Act 1863.

(2) The following parts of Acts are incorporated with and form part of this Scheme (that is to say):—

Part V. (relating to amalgamation) of the Railways Clauses Act 1863 subject to the provisions of the Act;

The provisions contained in the Third Schedule to the Act (with respect to existing officers and servants). Provided that the references to the Amalgamated Company in the said Schedule shall be construed as referring to the Great Western Company.

INTERPRETATION.

3. In this Scheme unless the contrary is expressed or implied:—

The expression "the Great Western Company" means the Great Western Railway Company;

The expression "the Barry Company" means the Barry Railway Company;

The expression "the date of vesting" means the 1st day of January 1922;

The expression "Special Act" where the same is used in the parts of Acts incorporated herewith shall in construing such Acts and reading the same with this Scheme mean this Scheme.

BARRY COMPANY AMALGAMATED WITH GREAT WESTERN COMPANY.

4. The undertaking of the Barry Company is hereby amalgamated with and shall form part of the undertaking of the Great Western Company and such amalgamation shall by virtue of this Scheme take effect as on and from the date of vesting and as on and from the date of approval of this Scheme the Barry Company are hereby dissolved except for the purpose of winding up their affairs.

AS TO FUNDS AND MONEYS OF BARRY COMPANY.

5.—(1) All funds and moneys including moneys received or receivable under the provisions of the Act remaining in the hands of or accruing to the Barry Company after making the payments hereinafter mentioned and providing for the compensation of the Directors of that Company

in accordance with the provisions of this Scheme shall be and become the property of the Great Western Company.

(2) The Barry Company shall pay up to the date of vesting their land rent charges and fixed and guaranteed charges and interest on their debenture stocks and dividends on their preference stocks and their declared dividends on their ordinary stocks for the year ended the thirty-first day of December one thousand nine hundred and twenty-one.

As to Capital of Great Western Company.

6. The Great Western Company shall be deemed to have created and issued by virtue of this Scheme and without further or other authority the capital (including debenture stock) necessary to give effect to the provisions of this Scheme as set out in the Schedule hereto and the creation and issue of such capital shall not affect the powers of the Great Western Company to issue capital (including debenture stock) as they existed at the date of the approval of this Scheme.

Stocks, &c., of Barry Company to be Exchanged for Stocks of Great Western Company.

7. The several persons who on the date of the approval of this Scheme shall appear in the books of the Barry Company as the holders of the amounts mentioned in the second column of the Schedule to this Scheme* of the stocks of the Barry Company described or referred to in the first column of the said Schedule shall in lieu of and in exchange for the stocks held by them respectively become and be holders of the stock of the Great Western Company specified in the third column of the said Schedule as intended to be issued to the holders of the amounts mentioned in the said second column and the holders of each class of the stocks of the Barry Company shall be entitled to the stock so to be issued to such class in the proportions specified in the fourth column of the said Schedule.

Stockholders of Barry Company to Accept Stock of Great Western Company.

8. The persons who by virtue of this Scheme become the holders of stock of the Great Western Company shall (subject to the provisions of this Scheme) accept and be deemed to have accepted the stock of the Great Western Company allocated to them under this Scheme in substitution for the stock of the Barry Company held by them and in satisfaction of all claims in respect thereof.

New Certificates to Stockholders of Barry Company.

9. Any holder of stock in the capital of the Barry Company who shall deliver to the Secretary of the Great Western Company the certificate for such stock to be cancelled shall be entitled without payment to receive from the Great Western Company in substitution for the certifi-

* *See* Appendix IV.

cate so delivered a certificate for the stock which is allocated to such holder by this Scheme:

Provided that until such substitution the certificates for stock of the Barry Company shall subject to the provision hereinafter contained relating to fractional parts of a pound of stock be deemed to be certificates for the stock of the Great Western Company allocated to the holders of such certificates by this Scheme.

Lost Certificates.

10. (Common form.)

Fractions.

11. (Common form.)

Stock of Barry Company to be Deemed Stock of Great Western Company.

12. Stock of the Great Western Company substituted by virtue of this Scheme for any stock of the Barry Company shall be held upon and subject to the same trusts liens charges powers and other legal or equitable rights privileges and restrictions as affected the stock for which by virtue of this Scheme the same is substituted and any reference in any Act of Parliament deed will codicil book document instrument or writing to any stock of the Barry Company shall be deemed to be a reference to the stock of the Great Western Company by virtue of this Scheme substituted therefor.

Dividends, &c. on Substituted Stock.

13. Every person who becomes entitled to stock of the Great Western Company under this Scheme shall in respect of the same be entitled to interest or a dividend as from the date of vesting with the other holders of stock of the same class or description and shall in all other respects be entitled and subject to the same powers provisions liabilities rights privileges and incidents whatsoever as if that stock were part of the capital inclusive of Debenture Stock which immediately before the date of approval of this Scheme was the capital inclusive of Debenture Stock of the Great Western Company.

Repeal of Unexercised Capital Powers of Barry Company.

14. On and as from the date of vesting all unexercised powers of raising money conferred upon the Barry Company are hereby repealed.

Power to Raise Additional Capital.

15. The Great Western Company by the order of any general meeting of that Company may create and issue new stock for such additional capital as they shall think necessary not exceeding eight hundred and seventy-five thousand seven hundred and nine pounds (being the amount of the authorised but unexercised capital powers of the Barry Company at the date of vesting) exclusive of the other capital and other moneys which the Great Western Company are or may be authorised at the date of the approval of this Scheme or by this Scheme to create and issue

or raise and the Great Western Company may create and issue such new stock either wholly or partially as ordinary stock or wholly or partially as preferential stock as they may think fit. Provided that notwithstanding anything contained in the Companies Clauses Act 1863 any such Preference Stock may bear such rate of dividend as the Directors of the Great Western Company determine at the time or times of the creation or issue thereof.

As to Disposal of New Stock.

16. Notwithstanding anything contained in Part II. of the Companies Clauses Act 1863 the Great Western Company may in issuing any portion of such additional capital dispose of all or any of the stock representing the same at such time to such persons on such terms and conditions and in such manner as the Directors think advantageous to the Great Western Company.

Power to Cancel Unissued Stock.

17. If the Great Western Company after having created any new stock in respect of such additional capital determine not to issue the whole of the stock created they may cancel the unissued stock and may from time to time thereafter create and issue instead thereof other new stock of an aggregate amount not exceeding the aggregate amount of the stock so cancelled.

Restriction as to Votes in Respect of Preferential Stock.

18. Except as otherwise expressly provided by the resolution creating any new stock of the Great Western Company forming part of such additional capital no person shall be entitled to vote in respect of any such new stock to which a preferential dividend shall be assigned.

New Stock Raised under this Scheme and any Act may be of same Class.

19. Subject to the provisions of any Acts already passed by which the Great Western Company are authorised to create new stock not already issued and to the provisions of the Great Western Railway (Western Group) Preliminary Amalgamation Scheme 1922 and of this Scheme the Great Western Company may if they think fit create and issue new stock of one and the same class for all or any part of the aggregate capital which they are by such Acts and Schemes respectively authorised to create and issue by the creation and issue of new stock.

Power to Borrow.

20. The Great Western Company may in addition to any moneys which they are authorised to borrow at the date of the approval of this Scheme or by this Scheme borrow on mortgage of their undertaking any sums not exceeding in the whole five hundred and ten thousand six hundred and thirty-six pounds (being the aggregate amount of the

authorised but unexercised borrowing powers of the Barry Company at the date of vesting) and of that sum they may borrow from time to time :—

(*a*) Any sums not exceeding in the whole two hundred and twenty thousand six hundred and thirty-six pounds without being required to obtain the certificate of a justice under the fortieth section of the Companies Clauses Consolidation Act 1845 ; and

(*b*) In respect of the additional capital of eight hundred and seventy-five thousand seven hundred and nine pounds which they are by this Scheme authorised to raise any sum not exceeding in the whole two hundred and ninety thousand pounds but no part thereof shall be borrowed until stock for one-half of such capital is fully paid up and the Great Western Company have proved to the justice who is to certify under the fortieth section of the Companies Clauses Consolidation Act 1845 before he so certifies that such stock has been issued and accepted and is fully paid up bona fide and is held by the persons to whom the same was issued or their executors administrators successors or assigns. Upon production to such justice of the books of the Great Western Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which shall be sufficient evidence thereof.

GREAT WESTERN COMPANY MAY ISSUE DEBENTURE STOCK.

21. The Great Western Company may subject to the provisions of Part III. of the Companies Clauses Act 1863 create and issue debenture stock of a nominal amount equal to the amount of the moneys which they are by this Scheme authorised to borrow but notwithstanding anything therein contained the interest of all debenture stock at any time after the approval of this Scheme created and issued by the Great Western Company shall rank *pari passu* with the interest of all mortgages at any time after the approval of this Scheme granted by the Great Western Company and shall have priority over all principal moneys secured by such mortgages.

APPLICATION OF MONEYS RAISED BY GREAT WESTERN COMPANY.

22. All moneys raised by the Great Western Company under this Scheme whether by stock debenture stock or borrowing shall be applied only to purposes to which capital is properly applicable.

AS TO DIRECTORS OF THE GREAT WESTERN COMPANY.

23. For the period commencing with the approval of this Scheme and ending on the date on which the Amalgamation Scheme for the Western Group under Section 3 of the Act comes into operation the Great Western Company shall be directed by the Board constituted

under Section 23 (as to Directors of the Great Western Railway Company) of the Great Western Railway (Western Group) Preliminary Amalgamation Scheme 1922 with the addition of one director of the Barry Company holding office at the date of approval of this Scheme who shall have been nominated by the Board of Directors of that company.

In the event of the director nominated as aforesaid or his successor or successors ceasing to hold office during the said period the vacancy may from time to time be filled by a person co-opted by the other directors and the person co-opted shall be a person who was a director of the Barry Company.

MANAGEMENT OF UNDERTAKING OF BARRY COMPANY TILL SCHEME APPROVED.

24. During the period between the date of vesting and the approval of this Scheme the undertaking of the Barry Company shall be deemed to have been carried on by that company as agents for and on behalf of the Great Western Company and as on and from the date of vesting the Great Western Company shall be and be deemed to have been alone liable for all debts and liabilities contracted by the Barry Company and shall be and be deemed to have been alone entitled without any assurance in that behalf to all assets and rights acquired by the Barry Company.

COMPENSATION OF DIRECTORS OF BARRY COMPANY.

25. The directors of the Barry Company holding office at the date of the approval of this Scheme who suffer loss by the abolition of their office shall be paid out of the revenue assets of that company as compensation for such loss the sum of thirteen thousand pounds and such sum shall be divided between the directors of that company in such proportions as failing agreement may be determined by the vote of the majority of such directors.

SUPERANNUATION FUNDS, &C.

26. (Common form.)

FOR PROTECTION OF POSTMASTER-GENERAL.

27. (Common form.)

THE RAILWAYS (WESTERN GROUP) AMALGAMATION SCHEME, 1923. DATED JUNE 29, 1923.

PREAMBLE.

Whereas the Great Western Railway Company the Barry Railway Company the Cambrian Railways Company the Cardiff Railway Company the Rhymney Railway Company the Taff Vale Railway Company and the Alexandra (Newport and South Wales) Docks and Railway Company are the Constituent Companies of the Western Group of

Railways mentioned in the First Schedule to the Railways Act 1921 (in this Scheme called " the Act ") :

And whereas by Sub-section (2) of Section 3 of the Act it is enacted (*inter alia*) that with respect to the said Western Group the Amalgamation Scheme shall provide for constituting the Great Western Railway Company the Amalgamated Company and for amalgamating therewith the other Constituent Companies in the Group :

And whereas by the Great Western Railway (Western Group) Preliminary Amalgamation Scheme 1922 the Cambrian Railways Company the Cardiff Railway Company the Rhymney Railway Company the Taff Vale Railway Company and the Alexandra (Newport and South Wales) Docks and Railway Company were dissolved and the undertakings of those Companies were amalgamated with that of the Great Western Railway Company :

And whereas by the Great Western and Barry Railway Companies Preliminary Amalgamation Scheme 1922 the Barry Railway Company was dissolved and its undertaking was amalgamated with that of the Great Western Railway Company :

And whereas the Great Western Railway Company which now remains the only Constituent Company in the Western Group has not submitted a Scheme in pursuance of the powers conferred by Section 2 of the Act :

Now therefore pursuant to the provisions of the Act we the Railways Amalgamation Tribunal have prepared and settled the following Amalgamation Scheme :—

SHORT TITLE.

1. This Scheme may be cited for all purposes as " The Railways (Western Group) Amalgamation Scheme 1923 " and shall come into operation on the first day of July one thousand nine hundred and twenty-three.

INTERPRETATION.

2. In this Scheme " the Company " means the Great Western Railway Company.

CONSTITUTION OF AMALGAMATED COMPANY.

3.—(1) The Company is hereby constituted the Amalgamated Company in accordance with the Act.

(2) For the purposes of this Scheme the provisions of the Great Western Railway (Western Group) Preliminary Amalgamation Scheme 1922 and the Great Western and Barry Railway Companies Preliminary Amalgamation Scheme 1922 shall have effect and so far as the same are applicable are incorporated herewith.

FIRST DIRECTORS OF COMPANY.

4.—(1) For the period commencing on the date when the Scheme comes into operation and ending on the date of the Annual General Meeting of the Company to be held in the year one thousand nine hundred and twenty-four the Company shall be directed by a Board

consisting of the persons who are holding office as Directors of the Company on the date when this Scheme comes into operation.

(2) In the event of a casual vacancy occurring during the said period among the Directors the vacancy shall be filled by a person co-opted by the other Directors.

Directors after First Annual General Meeting.

5.—(1) At the Annual General Meeting of the Company to be held in the year one thousand nine hundred and twenty-four the proprietors shall elect a Board of Directors consisting of not more than twenty-five persons of whom one-third or if their number is not a multiple of three then the number nearest to but not exceeding one-third shall be deemed to have been elected for one year and one-third or such nearest number as aforesaid shall be deemed to have been elected for two years and the Directors who shall be deemed to have been elected for one year and two years respectively shall be selected by lot unless the Directors otherwise agree.

(2) Except as otherwise herein provided the term of office of a Director shall be three years but on retirement a Director may if otherwise qualified be re-elected.

(3) No person shall be capable of being a director of the Company under the provisions of this section or continue to hold the office unless he be possessed in his own right of Consolidated Ordinary Stock of the Company of a nominal amount of no less than two thousand pounds.

(4) The name of any candidate duly qualified intended to be proposed for election as a Director at a general meeting of the Company shall be made known by the candidate or some other proprietor by notice in writing to the Secretary of the Company delivered at the office of the Company at least fourteen days before such meeting and shall be advertised by the Directors in a newspaper published in the County of London ten days at least before such meeting and no person shall be proposed or elected as a Director unless such notice shall have been duly given.

(5) The Company may from time to time at a general meeting reduce or increase the number of Directors. Provided that the number be not at any time more than twenty-five or less than sixteen.

(6) Any casual vacancy occurring amongst the Directors after the Annual General Meeting of the Company to be held in the year one thousand nine hundred and twenty-four shall be filled by a duly qualified person co-opted by the Directors and any person co-opted to fill a casual vacancy shall hold office for the same period as that for which his predecessor would have held office.

Incorporation of Act.

6. Subject to the provisions of this Scheme the provisions of the Companies Clauses Consolidation Act 1845 with respect to the appointment and rotation of Directors shall apply to the Company.

THE NORTH WESTERN, MIDLAND, AND WEST SCOTTISH GROUP AMALGAMATION SCHEME, 1923.

DATED JUNE 29, 1923.

PREAMBLE.

Whereas by a preliminary amalgamation Scheme under Section 8 of the Railways Act 1921 (hereinafter called " the Railways Act ") known as " the London and North Western and Lancashire and Yorkshire Railway Companies Amalgamation Scheme 1921 " the London and North Western Railway Company and the Lancashire and Yorkshire Railway Company being two of the constituent Companies of the North Western Midland and West Scottish Group named in the First Schedule of the Railways Act were dissolved and their undertakings were amalgamated and vested in and became the undertaking of " the London and North Western Railway Company " formed and incorporated by the said Scheme on and from January 1, 1922.

And whereas by another preliminary amalgamation Scheme under Section 8 of the Railways Act known as " The North Western Midland and West Scottish Group Amalgamation Scheme 1922 " the London and North Western Railway Company (formed and incorporated as aforesaid) the Midland Railway Company the Furness Railway Company the Glasgow and South Western Railway Company and the Highland Railway Company being constituent Companies of the North Western Midland and West Scottish Group were dissolved and their undertakings were amalgamated and vested in and became the undertaking of " the London Midland and Scottish Railway Company " formed and incorporated by such last-mentioned Scheme on and from January 1, 1923.

And whereas under and by virtue of the provisions of the Railways Act and the aforementioned preliminary amalgamation Schemes the constituent Companies in the aforementioned Group for the purposes of the Railway Act are now the London Midland and Scottish Railway Company, the Caledonian Railway Company and the North Staffordshire Railway Company.

And whereas the constituent Companies in the said Group have not submitted to the Minister of Transport an Amalgamation Scheme in pursuance of the power in that behalf conferred upon them by Section 2 of the Railways Act.

Now therefore we, the Railways Amalgamation Tribunal under and in pursuance of the provisions of the Railways Act have prepared and settled the following Scheme for the amalgamation of the London Midland and Scottish Railway Company, the Caledonian Railway Company and the North Staffordshire Railway Company :—

SHORT TITLE.

1. This Scheme may be cited for all purposes as " The North Western, Midland, and West Scottish Group Amalgamation Scheme 1923."

INCORPORATION OF ACTS.

2. (Common form.)

INTERPRETATION.

3. In this Scheme

"The London Midland and Scottish Company" means The London Midland and Scottish Railway Company.

"The Caledonian Company" means The Caledonian Railway Company.

"The North Staffordshire Company" means The North Staffordshire Railway Company.

"The vested Companies" means The London Midland and Scottish Company, The Caledonian Company, and The North Staffordshire Company or any of them as the case may be.

"The Company" means the Company incorporated by this Scheme.

"The date of vesting" means the First day of July One thousand nine hundred and twenty-three.

DATE OF VESTING.

4. This Scheme shall come into operation and take effect on and from the date of vesting:

Provided that for the purposes of the capital and revenue accounts of the vested Companies and the Company respectively and the declaration of dividends and the payment of dividends and interest on the stocks of those Companies respectively this Scheme shall be deemed to have come into operation on and the date of vesting shall be deemed to have been the First day of January 1923 immediately after the North Western Midland and West Scottish Group Amalgamation Scheme 1922 came into operation and took effect and for those purposes the vested Companies shall on and from the First day of January 1923 be deemed to have been carrying on their several undertakings on behalf of the Company.

AMALGAMATION OF UNDERTAKINGS.

5. On and from the date of vesting, the undertakings of the vested Companies are hereby amalgamated and the undertakings so amalgamated shall constitute one undertaking and shall be the undertaking of the Company by this Scheme incorporated.

DISSOLUTION OF VESTED COMPANIES AND INCORPORATION OF COMPANY.

6. On and from the date of vesting, the London Midland and Scottish Company, the Caledonian Company and the North Staffordshire Company respectively shall (except for the purposes by this Scheme authorised and directed) be and are hereby dissolved and the several persons who on the date of vesting by virtue of this Scheme become the registered holders of Stock of the Company (other than Debenture Stock) shall be

and are hereby united into a Company, and shall be and are hereby incorporated by the name of the London Midland and Scottish Railway Company and by that name shall be a body corporate with perpetual succession and a common seal and with power to purchase take hold and dispose of lands and other property for the purposes of the Company.

ORIGINAL CAPITAL OF COMPANY.

7. The original capital of the Company shall be and shall consist of the stock set forth in the First Schedule hereto, and such stock shall on the date of vesting be deemed to have been created and issued by virtue of this Scheme and without further or other authority.

STOCKS, &C., OF COMPANY TO BE EXCHANGED FOR STOCKS, &C., OF VESTED COMPANIES.

8. The several persons who immediately before the date of vesting are the registered holders of stock of the vested Companies described in the second and third columns of the Second Schedule hereto * shall on and from the date of vesting by virtue of this Scheme become and be registered holders of stock of the Company of the class or classes and in the proportions specified in the said Second Schedule in lieu of and in exchange for the stock of the vested Companies held by them respectively and the registered holders respectively of the stocks expressed in the said Second Schedule to be cancelled shall have their said stock cancelled accordingly.

STOCKHOLDERS OF VESTED COMPANIES TO ACCEPT STOCK OF COMPANY.

9. (Common form.)

STOCKHOLDERS' RIGHTS.

10. Subject to the provisions of this Scheme all the stocks in the original capital of the Company (other than Debenture Stock) shall respectively have and be subject to the rights privileges priorities and incidents following :—

PRIORITIES OF GUARANTEED AND PREFERENCE STOCKS.

(1) The holders of the Four per cent. Guaranteed Stock in the original capital of the Company shall be entitled in respect of every year ending on the 31st day of December to a dividend at the rate of four per cent. payable half-yearly out of the profits of the Company applicable to the payment of dividend in priority to all other stock in the original capital of the Company except Debenture Stock and if in any year ending on the 31st day of December there are not profits available for the payment of the full amount of the said dividend for that year the deficiency shall be made

* *See* Appendix IV.

good out of the profits of any subsequent year n priority to the payment of any dividend upon other stock in the original capital of the Company except Debenture Stock.

(2) The Four per cent. Preference Stock the Four and a-half per cent. Redeemable Preference Stock and the Five per cent. Redeemable Preference Stock shall rank *pari passu* and the holders thereof respectively shall be entitled in respect of every year ending on the 31st day of December to a dividend at the rate mentioned in the title of their stock payable half-yearly out of the profits of the Company applicable to the payment of dividend for that year in priority to all other stock in the original capital of the Company except Debenture Stock and the Four per cent. Guaranteed Stock.

(3) The holders of the Four per cent. Preference Stock (1923) shall be entitled in respect of every year ending on the 31st day of December to a dividend at the rate of four per cent. payable half-yearly out of the profits of the Company applicable to the payment of dividend for that year after payment of the dividends upon all the other Preference Stock of the Company but in priority to the payment of any dividend upon the Ordinary Stock of the Company.

DEBENTURE STOCKHOLDERS' RIGHTS.

11. The Four per cent. Debenture Stock forming part of the original capital of the Company shall carry interest at the rate of four per cent. per annum payable half-yearly on the 1st day of July and the 1st day of January in each year.

INTEREST ON DEBENTURE, &C., STOCK OF CALEDONIAN COMPANY.

12. Notwithstanding anything contained in this Scheme the interest or dividend to be paid by the Company for the half-year ending 30th June 1923 on the stock of the Company which under this Scheme is allocated in substitution for the stock of the Caledonian Company in this section specified shall be interst or dividend at the appropriate rate calculated from and including the dates hereunder mentioned (that is to say) :—

On the stock of the Company allocated in substitution for—

(i) the 4 per cent. Guaranteed Annuities Stock	1st Feb. 1923.
(ii) the 4 per cent. Debenture Stock ..	16th May 1923.
(iii) the 5 per cent. Debenture Stock ..	16th May 1923.
(iv) the 4 per cent. Guaranteed Annuities Stock No. 2	15th May 1923.

And such interest or dividend shall be paid on the 16th day of July 1923 to the several persons who on the 30th day of June 1923 appear in the

books of the Caledonian Company as the registered holders of the stock specified above.

VOTING RIGHTS.

13. The holders of stock (other than Debenture Stock the holders of which have no voting rights) in the original capital of the Company and (unless otherwise provided by the terms of creation or issue thereof) the holders of stock (other than Debenture Stock) which may after the date of vesting be created by the Company under the provisions of this Scheme shall have such rights of voting as are conferred upon Shareholders by Section 75 of the Companies Clauses Consolidation Act 1845 and for the purposes of that Section each sum of £100 of such Stock held by any such stockholder shall be deemed equivalent to one share :

Provided that in case the aggregate amount of all the stock (other than Debenture Stock) of the Company held by any holder shall be less than £100 but not less than £50 then such holder shall have one vote in respect of all his stock.

CERTIFICATES OF STOCK.

14. Any holder of stock of the vested Companies who shall deliver to the Secretary of the Company the certificate or certificates of such stock to be cancelled shall be entitled without payment to receive from the Company in substitution for the certificate or certificates so delivered a certificate of the stock of the Company which is allocated to such holder by this Scheme in substitution for the stock of which the certificate or certificates is or are so delivered : Provided that (subject to the provisions hereinafter contained relating to fractional parts of a pound of stock) until such substitution the certificates of stock of the vested Companies shall be deemed to be the certificates of the stock of the Company which is allocated by this Scheme to the holders of such certificates.

LOST CERTIFICATES.

15. (Common form.)

FRACTIONS.

16. (Common form.)

STOCKS, &c., OF COMPANY SUBJECT TO SAME TRUSTS, &c., AS AFFECTED THE STOCKS, &c., OF VESTED COMPANIES.

17. (Common form.)

REPEAL OF EXISTING UNEXERCISED CAPITAL POWERS.

18. (Common form.)

ADDITIONAL CAPITAL.

19. The Company may raise for the general purposes of their undertaking by the creation and issue of new stock such additional capita as they shall think necessary not exceeding £15,488,106 and the Company may create and issue such stock either wholly or partially as ordinary stock or wholly or partially as preference stock as they may think fit :

Provided that notwithstanding anything contained in the Companies Clauses Act 1863 any such preference stock may bear such rate of dividend as the Directors of the Company determine at the time or times of the creation or issue thereof.

New Preference Stock may Rank with Original Stock.

20. The Company may by the resolution creating or authorising the creation of any new preference stock under the powers of this Scheme determine that such new preference stock shall form part of and rank *pari passu* with either of the preference stocks in the original capital of the Company but any such new preference stock may bear such rate of dividend as the Directors of the Company at the time or times of the creation or issue thereof determine.

Disposal of New Stock.

21. The Company may in issuing any new stock under the powers of this Scheme dispose of the same at such times to such persons on such terms and conditions and in such manner as the Directors of the Company think advantageous to the Company.

Power to Cancel Unissued Stock.

22. If the Company after having created any new stock in respect of such additional capital determine not to issue the whole of the stock created they may cancel the unissued stock and may from time to time thereafter create and issue instead thereof other new stock of an aggregate amount not exceeding the aggregate amount of the stock so cancelled.

Additional Capital Subject to Same Incidents as Original Capital.

23. Any new stock created by the Company under this Scheme otherwise than as debenture or preference stock or loan shall be subject and entitled to the same powers provisions forfeitures liabilities rights privileges and in incidents whatsoever in all respects as if that stock were part of the original ordinary stock of the Company.

Power to Borrow.

24. The Company may borrow on mortgage of their undertaking any sums not exceeding in the whole £9,717,077 and of that sum they may borrow from time to time :—

(*a*) Any sums not exceeding in the whole £4,638,155 without being required to obtain the certificate of a justice under the 40th Section of the Companies Clauses Consolidation Act 1845, and

(*b*) In respect of the additional capital of £15,488,106 which they are by this Scheme authorised to raise any sums not exceeding in the whole £5,078,922 and of such sum of £5,078,922 the Company may borrow from time to time any sum or

sums not exceeding in the whole one-third part of the amount of the said additional capital which at the time has been actually issued and accepted but no part thereof shall be borrowed until stock for one-half of the portion of the additional capital in respect of which it is borrowed is fully paid up and the Company have proved to the justice who is to certify under the 40th Section of the Companies Clauses Consolidation Act 1845, before he so certifies that stock for the whole of the portion of the said capital has been issued and accepted and has been paid up *bona fide* to the extent of one-half and is held by the persons to whom the same was issued or their executors, administrators or assigns.

Upon production to such justice of the books of the Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which shall be sufficient evidence thereof.

APPOINTMENT OF RECEIVER.

25. (Common form.)

DEBENTURE STOCK.

26. The Company may create and issue debenture stock subject to the provisions of Part III of the Companies Clauses Act 1863 but notwithstanding anything therein contained the interest of all debenture stock and of all mortgages at any time created and issued or granted by the Company under this Scheme or any Act of Parliament hereafter passed shall subject to the provisions of any such Act rank *pari passu* (without respect to the dates of the securities or of the Acts of Parliament or resolutions by which the stock and mortgages were authorised) and shall have priority over all principal moneys secured by such mortgages.

REDEEMABLE PREFERENCE AND DEBENTURE STOCK.

27.—(1) If the Company desire to raise any capital by the issue of preference stock or to issue and debenture stock which they are by this Scheme authorised to create or issue they may create and issue such preference stock or debenture stock so as to be redeemable at such times and in such manner and on and subject to such terms and conditions and to bear such rate or rates of dividend or interest as the Directors of the Company at the time or times of the creation or issue thereof shall determine.

(2) There shall be stated on each certificate of any such redeemable preference or redeemable debenture stock the time at which and the manner in which and the terms and conditions on and subject to which such stock is to be redeemed.

(3) For the purpose of providing money for paying off or redeeming any such redeemable preference or redeemable debenture stock the Company may create and the Directors of the Company may issue other

stock either ordinary preference or debenture stock and either redeemable or not or the Directors of the Company may reissue any preference or debenture stock originally created and issued in pursuance of the provisions of this Scheme. Provided that the creation and issue of any particular class of stock in pursuance of the provisions of this section do not make the total amount of that class of stock issued exceed the amount of that class of stock which the Company are for the time being authorised to create and issue except during the necessary interval between the creation and issue of the new stock and the redemption of the old stock.

Redemption Fund.

28.—(1) The Company may from time to time set aside out of net revenue and after providing for the payment of interest or dividends on any loans mortgages bonds or debenture stock or preference stock of the company and for other fixed charges and obligations such sums as the Company may consider proper for the purpose of forming a fund for the redemption at maturity of any redeemable stock which the Company may have issued in pursuance of the provisions of this Scheme and which under the conditions of the issue thereof is redeemable wholly or partly in cash and the Company may invest any sums so set apart and the income therefrom in any securities in which trustees are for the time being by law authorised to invest trust funds or in any other securities (not being except as hereinafter provided securities of the Company) in which they may be authorised to invest those sums by a resolution passed at a general meeting of the Company.

(2) All sums so set apart shall be applied to the redemption at maturity of any redeemable stock for the redemption of which they have been set apart or may if the directors of the Company think fit be applied in the purchase of any such stock at a price not exceeding the redemption price and any stock so purchased shall be treated as redeemed.

Application of Moneys.

29. (Common form.)

Receipt in Case of Person not *Sui Juris*.

30. (Common form.)

Interest on Money Advanced Beyond Calls.

31. Noting in this Scheme shall prevent the Company from paying such interest on money advanced beyond the amount of calls actually made as in conformity with the Companies Clauses Consolidation Act 1845, but save as aforesaid no interest or dividend shall be paid out of any capital moneys of the Company.

Date of Ordinary Meetings.

32. The ordinary meeting of the Company shall be held in the month of February or March but not later than the Fifteenth day of March and the first ordinary meeting of the Company shall be so held in the year One thousand nine hundred and twenty-four.

QUORUM OF MEETINGS OF COMPANY.

33. The quorum of a meeting of the Company shall be twenty stockholders (other than debenture stockholders) holding in the aggregate stock (other than debenture stock) of the Company of a nominal value of One million pounds.

POWER OF DIRECTORS TO DETERMINE REMUNERATION OF SECRETARY.

34. In addition to the powers which the Directors of the Company may exercise under the Companies Clauses Acts 1845 to 1889 or otherwise they may from time to time determine the remuneration of the Secretary of the Company.

FIRST DIRECTORS.

35.—(1) For the period commencing on the date of vesting and ending on the date of the first ordinary meeting of the Company the Company shall be directed by a Board consisting of twenty-seven directors elected as follows :—

Twenty-three elected by the proprietors of the London Midland and Scottish Company, three elected by the proprietors of the Caledonian Company and one elected by the proprietors of the North Staffordshire Company.

(2) The directors so elected shall hold office until the date of the first ordinary meeting and shall then retire but any director so retiring may if otherwise qualified be elected as a director of the Company under the provisions hereinafter contained.

(3) In the event of a casual vacancy occurring in the said period amongst the directors the vacanacy shall be filled by a person co-opted by the other directors being a person who was a director of the vested Company by the proprietors of which the vacating director was elected.

DIRECTORS AFTER FIRST ORDINARY MEETING.

36.—(1) At the first ordinary meeting of the Company the proprietors shall elect a Board of Directors consisting of not more than twenty-eight persons of whom one-third or if their number be not a multiple of three then the number nearest to but not exceeding one-third shall be deemed to have been elected for one year and one-third or such nearest number as aforesaid shall be deemed to have been elected for two years and the directors who shall be deemed to have been elected for one year and two years respectively shall be selected by lot unless the directors otherwise agree.

(2) Except as otherwise herein provided the term of office of a director shall be three years but on retirement he may if otherwise qualified be re-elected.

(3) The qualification of a director shall be the possession in his own right of ordinary stock of the Company of the nominal value of not less than £2,500.

(4) Any casual vacancy occurring among the directors shall be filled by a person co-opted by the directors and any director co-opted to fill a casual vacancy shall hold office for the same period as that for which his predecessor would have held office.

DIRECTORS MAY BE INCREASED OR DECREASED.

37. The Company may from time to time at any meeting after the first ordinary meeting of the Company increase or decrease the number of directors provided that the number be at any time not more than twenty-eight or less than sixteen.

AUDITORS.

38. From the date of vesting until the first ordinary meeting of the Company the Auditors of the Company shall be the persons who were Auditors of the London Midland and Scottish Company immediately before the date of vesting: Provided that the Auditors of the other vested Companies immediately before the date of vesting and the Auditors referred to in the proviso to Section 28 of the North Western Midland and West Scottish Group Amalgamation Scheme 1922 shall be retained for a like period but they shall not unless required by the Company so to do sign the Auditors' certificate appearing in the accounts and statistical returns of the Company for the year 1923.

APPOINTMENT OF COMMITTEES.

39. Any Committee or Committees appointed under Section 95 of the Companies Clauses Consolidation Act 1845 may comprise persons who are not directors of the Company provided that every such person has the qualification of a director of the Company.

CLOSING OF TRANSFER BOOKS.

40.—(1) The directors of the Company may close the register of transfers of any ordinary or preference or guaranteed stock of the Company for a period not exceeding twenty-one days before and twenty-one days after the declaration of any dividend on any such ordinary or preference or guaranteed stock and may close the register of transfers of debenture stock of the Company for a period not exceeding twenty-one days previous to the payment of any interest on any such debenture stock and the directors may in any such case fix a day for the closing of any register which they are authorised to close under the provisions of this Section.

(2) Seven days' notice of the closing of any such register shall be given by advertisement in some newspaper published or circulating in London and Edinburgh and any transfer of any ordinary or preference or guaranteed stock lodged for registration with the Company while the transfer books relating to such ordinary or preference or guaranteed stock are so closed and any transfer of any debenture stock lodged for registration with the Company while the transfer books relating to such debenture stock are so closed shall as between the Company and the

person claiming under any such transfer but not otherwise be considered as made subsequently to the declaration of any such dividend or the payment of any such interest as the case may be.

JOINT HOLDERS.

41.—(Common form.)

APPOINTMENT OF PROXIES.

42. (Common form.)

SCOTTISH STOCKHOLDERS AND SCOTTISH TRUSTS.

43.—(1) Stockholders of the Caledonian Company entitled to stock of the Company by virtue of the provisions of this Scheme shall be entered in the books of the Company in the same terms as immediately before the date of vesting they are entered in the books of the Caledonian Company and stockholders of the London Midland and Scottish Company entitled to stock of the Company by virtue of the provisions of this Scheme shall be entered in the books of the Company in the same terms as immediately before the date of vesting they are or are entitled to be entered in the books of the London Midland and Scottish Company.

(2) For the purposes of Section 19 of the Companies Clauses Consolidation Act 1845 a Confirmation or Testament Dative granted by any Court in Scotland having authority to grant the same shall have the same effect as the Probate of a Will or letters of administration.

(3) In the case of trusts subject to the Law of Scotland the following provisions shall apply and have effect that is to say :—

(*a*) Where any stock of the Company is held by a trustee as defined in the Trusts (Scotland) Act 1921 or any Act amending the same the Company shall on the request of such holder in writing enter him in the books of the Company as trustee in accordance with such request. A transfer to a trustee as such shall be equivalent to such request ;

(*b*) Where persons are entered in the books of the Company as trustees or as executors dative they shall as regards the transmission of the stock in respect of which they are so entered be entitled to act by a quorum as provided by the Trusts (Scotland) Act 1921 or by the trust deed as therein defined or by the Executors (Scotland) Act 1900 ;

(*c*) In the case of the assumption or appointment of a trustee or of the appointment of a trustee by the Court or by any person entitled to do so or of the resignation of a trustee whether in terms of the Trusts (Scotland) Act 1921 or of the Trust Deed as therein defined the Deed of Assumption or Deed or Minute of Appointment with Minute of Acceptance by the assumed or appointed trustee or an official or duly authenticated extract thereof or a certified copy of the Interlocutor of the Court making the appointment or the Minute of Resignation with acceptance of intimation of

resignation by the remaining trustee or an official or duly authenticated extract thereof as the case may be shall be accepted by the Company as sufficient evidence of the transmission of stock to the assumed or appointed trustee and of the divestiture of the trustee who has resigned. In the event of the removal of a trustee by the Court a certified copy of the Interlocutor of the Court shall be accepted by the Company as sufficient evidence of such removal.

(*d*) Where any transfer of stock or authority for the payment to any person of the interest or dividends on any stock purporting to be executed or signed by a stockholder entered in the books of the Company as a trustee in pursuance of this subsection is produced to the Company the Company shall not be concerned to inquire whether the stockholder is entitled under the terms of the trust to execute any such transfer or give any such authority and may act on the transfer or authority in the same manner as though the stockholder had not been so entered and whether the stockholder is or is not described in the transfer or authority as a trustee and whether he does or does not purport to execute the transfer or give the authority in his capacity as a trustee.

(4) Any order or decree or official extract thereof of any Court in Scotland whereby the right to transfer or call for a transfer of any stock of the Company or to receive any dividend thereon is expressed to be vested in any person shall be sufficient authority to the Company to allow the transfer of the stock or to pay the dividends in accordance with the order or decree. An official extract of any such appointment as is mentioned in Section 13 of the Judicial Factors (Scotland) Act 1889 shall where any stock of the Company is specified in such official extract or in a certificate under seal by the Accountant of Court produced along with such extract as belonging to or forming part of the estate under the charge of the person named in the extract be deemed for the purposes of this section to be a decree whereby the right to transfer such stock is vested in the person so named.

DIRECTORS, &C., TO CONTINUE FOR CERTAIN PURPOSES.

44. Notwithstanding anything contained in this Scheme

(*a*) The persons who are the Directors and Secretaries of the vested Companies respectively in office immediately before the date of vesting or the survivors of them shall be deemed to be in office for the purpose of the summoning holding and conduct of the meetings next hereinafter mentioned :

(*b*) A general meeting of each of the vested Companies shall be held within one month of the date of vesting for the purpose of the election of the Directors of the Company to be elected by the proprietors of each of the vested Companies in

accordance with the provisions of the Section of this Scheme the marginal note whereof is "First Directors" and the persons who immediately before the date of vesting are the proprietors of the vested Companies respectively shall be deemed to be proprietors of such Companies respectively for the purposes of the said meetings.

Provided that if such election as aforesaid shall have been made at any time before the date of vesting by any of the vested Companies such election shall be deemed to have been made under and in pursuance of this Scheme and a General Meeting of the vested Company whose proprietors shall have so elected Directors shall not be held under this Section.

COMPENSATION TO RETIRING DIRECTORS.

45. Each of the vested Companies may with the consent of its proprietors provide for the payment of compensation out of its assets to the Directors of each of the vested Companies who suffer loss by abolition of office.

COMPANY TO PAY DIVIDENDS, &C., IN CERTAIN EVENTS.

46. Any dividend declared or payable and any debenture interest which but for this Scheme would have been payable by any of the vested Companies and any compensation which the proprietors of the vested Companies respectively may determine to be paid out of the respective assets of the vested Companies to the Directors of the vested Companies respectively who suffer loss by abolition of office and which dividend or interest or compensation shall not have been paid before the date of vesting shall be paid by the Company.

USE OF NAMES OF CONSTITUENT AND SUBSIDIARY COMPANIES.

47. During a period of twelve months commencing on the date of vesting the Company shall be entitled to carry on business in the name or names of any of the constituent Companies of the North Western, Midland, and West Scottish Group named in the First Schedule of the Railways Act or in the name of any subsidiary Company in the said group which has been absorbed in addition to or in substitution for the name of the Company and all contracts and engagements made or entered into by the Company during the said period in any such name or names shall be binding upon and enforceable by the Company.

SUPERANNUATION FUNDS, &C.

48.—(1) Subject to the provisions of this Section any Superannuation Pension or other Benefit Fund or any Savings Bank of or established by any of the vested Companies or by either of the Companies dissolved by the London and North Western and Lancashire and Yorkshire Railway Companies' Amalgamation Scheme 1921 or by any of the Companies dissolved by the North Western, Midland, and West Scottish Group Amalgamation Scheme 1922 shall continue as if the vested Com-

panies had not been amalgamated and the obligations of each of the vested Companies in respect of the said Funds and the Railway Clearing System Superannuation Fund and in respect of every member of the said Funds respectively and the Railway Clearing System Superannuation Fund whether obtaining legally or by customary practice shall be binding upon the Company.

(2) (Common form.)

(3) (Common form.)

(4) Any person in the service of the London Midland and Scottish Company or the Caledonian Company at the date of vesting not being a member of any of the said Superannuation Pension or other Benefit Funds or a depositor in any of the said Banks as the case may be who by virtue of this Scheme becomes an officer or servant of the Company shall so long as he remains in the service of the Company have the same right to become (*a*) a member of any of the said Funds or (*b*) a depositor in any of the said Banks as he would have had if the said Companies had not been amalgamated and he had remained in the service of the same Company and any person claiming in right of any such officer or servant shall also be entitled in accordance with the rules of any such Savings Bank to become a depositor in the same.

(5) Any person in the service of the North Staffordshire Company at the date of vesting not being a member of the Railway Clearing System Superannuation Fund who by virtue of this Scheme becomes an officer or servant of the Company shall so long as he remains in the service of the Company have the same right to become a member of the Railway Clearing System Superannuation Fund subject to the rules and regulations of that Fund as he would have had if the North Staffordshire Company had not been amalgamated and he had remained in the service of the North Staffordshire Company.

(6) Any person in the service of the North Staffordshire Company at the date of the vesting not being a depositor in the Savings Bank of that Company who by virtue of this Scheme becomes an officer or servant of the Company shall so long as he remains in the service of the Company have the same right to become a depositor in the said Bank as he would have had if the North Staffordshire Company had not been amalgamated and he had remained in the service of the North Staffordshire Company and any person claiming in right of any such officer or servant shall also be entitled in accordance with the rules of such Bank to become a depositor in the same.

(7) Notwithstanding anything contained in this Scheme the Directors of the Company may permit any person entering the service of the Company after the date of vesting to become a depositor in any of the said Banks subject to the rules thereof.

(8) No person entering the service of the Company on or after the First day of January one thousand nine hundred and twenty-three other than officers and servants transferred from a railway undertaking which

has been vested in the Company shall be admitted to membership of either the London and North Western Railway Superannuation Fund the Lancashire and Yorkshire Railway Superannuation Fund the Midland Railway Superannuation Fund the Glasgow and South Western Railway Superannuation Fund or the Caledonian Railway Superannuation Fund but any such person entering the service of the Company before provision shall have been made by Parliament in pursuance of Section 3 (1) (*e*) or Section 5 (*e*) of the Railways Act 1921 and any person claiming in right of such person shall be entitled and subject to the same benefits rights privileges obligations and liabilities as he would have been entitled and subject to under such provision if the same had been in force at the date when such person entered the service of the Company.

(9) Subject to the provisions of this Section the management of any Superannuation Pension or other Benefit Fund or any Savings Bank of or established by the vested Companies or by either of the Companies dissolved by the London and North Western and Lancashire and Yorkshire Railway Companies' Amalgamation Scheme 1921 or by any of the Companies dissolved by the North Western, Midland, and West Scottish Group Amalgamation Scheme 1922 shall remain unaltered.

FOR PROTECTION OF POSTMASTER-GENERAL.

49. (Common form.)

FIRST SCHEDULE.

ORIGINAL CAPITAL OF THE COMPANY.

£	
101,596,170	4% Debenture Stock.
40,692,916	4% Guaranteed Stock.
118,858,262	4% Preference Stock.
1,500,000	4½% Redeemable Preference Stock (to be redeemed at par on 30th June, 1925).
700,000	5% Redeemable Preference Stock (to be redeemed at par on 30th June, 1926).
39,799,378	4% Preference Stock (1923).
95,192,441	Ordinary Stock.
£398,339,167	

THE NORTH EASTERN, EASTERN AND EAST SCOTTISH GROUP AMALGAMATION SCHEME 1922. DATED DECEMBER 30, 1922.

PREAMBLE.

WHEREAS by a preliminary amalgamation scheme under Section 8 of the said Railways Act 1921 (in this scheme called " The Railways Act ") known as " the North Eastern and Hull and Barnsley Railway Companies Amalgamation Scheme 1922 " the North Eastern Railway Company and the Hull and Barnsley Railway Company being two of

the constituent Companies of the North Eastern Eastern and East Scottish Group of Railways mentioned in the first Schedule to the Railways Act were dissolved and their undertakings (including the joint undertaking vested in the Hull Joint Dock Committee) were amalgamated and vested in and became the undertaking of " the North Eastern Railway Company " formed and incorporated by the said preliminary Amalgamation Scheme on and as from the first day of April one thousand nine hundred and twenty-two :

And whereas the North Eastern Railway Company (formed and incorporated as aforesaid) the Great Central Railway Company the Great Eastern Railway Company the Great Northern Railway Company the North British Railway Company and the Great North of Scotland Railway Company are the constituent Companies of the aforementioned North Eastern Eastern and East Scottish Group of Railways and as such are authorised by the Railways Act to submit to the Minister of Transport for reference to the Railways Amalgamation Tribunal a scheme for the amalgamation of the said Companies :

And whereas by the Great Northern and Great Eastern Railway Companies Act 1879 the Great Northern and Great Eastern Joint Committee was incorporated for the purpose of exercising the powers and performing the duties vested in them by that Act with perpetual succession and a common seal and with power to purchase take hold and dispose of lands and other property and certain property lands and railways are now vested in that Committee :

And whereas by the Hull and Barnsley Railway Act 1909 the Hull and Barnsley and Great Central Railways Joint Committee was incorporated for the purpose of exercising the powers which by the said Act of 1909 were authorised to be transferred to and vested in the Hull and Barnsley Railway Company and the Great Central Railway Company with perpetual succession and a common seal and with power to hold and dispose of lands without any licence in mortmain and certain property lands and railways are now vested in that Committee :

And whereas in order to give full effect to the provisions of this Scheme and the purposes of the Railways Act it is expedient to make provision for the dissolution of the Great Northern and Great Eastern Joint Committee and the Hull and Barnsley and Great Central Railways Joint Committee and otherwise in relation thereto in manner hereinafter appearing :

And whereas the provisions of the Railways Act relating to the procedure preliminary to the submission of a Scheme have been complied with :

Now therefore pursuant to the provisions of the Railways Act the North Eastern Railway Company the Great Central Railway Company the Great Eastern Railway Company the Great Northern Railway Company the North British Railway Company and the Great North

of Scotland Railway Company submit the Amalgamation Scheme hereinafter contained.

SHORT TITLE.

1. This Scheme may be cited for all purposes as " the North Eastern Eastern and East Scottish Group Amalgamation Scheme 1922."

INTERPRETATION.

2. In this Scheme the expression :—

" The North Eastern Company " means the North Eastern Railway Company formed and incorporated as aforesaid ;

" The Great Central Company " means the Great Central Railway Company ;

" The Great Eastern Company " means the Great Eastern Railway Company ;

" The Great Northern Company " means the Great Northern Railway Company ;

" The North British Company " means the North British Railway Company ;

" The Great North of Scotland Company " means the Great North of Scotland Railway Company ;

" The six Companies " means the North Eastern Company the Great Central Company the Great Eastern Company the Great Northern Company the North British Company and the Great North of Scotland Company or any of them as the case may be ;

" The Joint Committees " means the Great Northern and Great Eastern Joint Committee and the Hull and Barnsley and Great Central Railways Joint Committee or either of them as the case may be ;

" The Company " means the Company incorporated by this Scheme ;

" Stock " includes shares and the stock described in the second column of the Schedule hereto unless there be something in the context or subject repugnant to such construction.

DATE OF VESTING.

3. This Scheme shall come into operation and take effect on and from the first day of January one thousand nine hundred and twenty-three which day is hereinafter called " the date of vesting."

INCORPORATION OF ACTS.

4. (Common form.)

AMALGAMATION OF UNDERTAKINGS.

5. On and from the date of vesting the undertakings of the six Companies including the undertakings vested in the Joint Committees are hereby amalgamated and the undertakings so amalgamated shall constitute one undertaking and shall be vested in and be the undertaking of the Company.

DISSOLUTION OF SIX COMPANIES AND INCORPORATION OF COMPANY.

6. On and from the date of vesting the North Eastern Company the Great Central Company the Great Eastern Company the Great Northern Company the North British Company the Great North of Scotland Company and the Joint Committees respectively shall (except for the purposes by this Scheme authorised and directed) be and are hereby dissolved and the several persons who on the date of vesting by virtue of this Scheme become the registered holders of stock of the Company (other than debenture stock) shall be and are hereby united into a Company and shall be and are hereby incorporated by the name of the London and North Eastern Railway Company and by that name shall be a body corporate with perpetual succession and a common seal and with power to purchase take hold and dispose of lands and other property for the purposes of the Company.

ORIGINAL CAPITAL OF COMPANY.

7. The original capital of the Company shall be and shall consist of the following :—

	£
3% Debenture Stock } ranking *pari passu*	66,352,793
4% Debenture Stock }	33,617,629
4% First Guaranteed Stock	29,838,251
4% Second Guaranteed Stock	27,329,739
4% First Preference Stock	48,145,988
4% Second Preference Stock	65,683,531
5% Preferred Ordinary Stock	41,873,116
Deferred Ordinary Stock	35,514,228
	£348,355,275

and such capital shall (subject to the provisions of this Scheme) be deemed to have been created and so much of the said original capital as is comprised in the fifth column of the Schedule hereto shall be deemed to have been issued on the date of vesting by virtue of this Scheme and without further or other authority.

CAPITAL OF SIX COMPANIES.

8.—(1) The several persons who immediately before the date of vesting are the registered holders of stock of the six Companies described in the second and third columns of the Schedule hereto * shall (subject to the provisions of this section) on and from the date of vesting by virtue of this Scheme become and be registered holders of stock of the Company of the class or classes and in the proportions specified in the said Schedule in lieu of and in exchange for the stock of the six Companies held by them respectively.

(2) The holder of any part of the Redeemable Debenture Stock or Redeemable Preference Stock mentioned in the second and third columns of the Schedule hereto may by notice in writing to the Company on or before the 31st day of January 1923 require the Company to assume

* *See* Appendix IV.

the obligations in respect of the Redeemable Debenture Stock or Redeemable Preference Stock as the case may be held by him or any part thereof specified in such notice which existed immediately before the date of vesting and upon such notice being given such holder shall not become or be the registered holder of the stock of the Company by this Scheme allocated to him in respect of the Redeemable Debenture Stock or Redeemable Preference Stock comprised in the Notice but as from the date of vesting such Redeemable Debenture Stock or Redeemable Preference Stock shall become part of the capital of the Company and the Company shall become and be liable to the holder thereof for all principal moneys or capital and all interest or dividends payable in respect thereof according to the terms upon which such Redeemable Debenture Stock or Redeemable Preference Stock was held immediately before the date of vesting in substitution for that one of the six Companies by whom the same was issued and that Company shall be discharged from all such liability.

(3) The Company shall assume the obligations in respect of the following outstanding terminable loans of the North British Company and the Great North of Scotland Company which existed immediately before the date of vesting (that is to say) :—

	£
North British Company..	1,187,428
Great North of Scotland Company	90,853

and the Company shall become and be liable to the persons to whom the aforesaid loans are owing for all principal moneys and interest payable in respect thereof according to the terms upon which such loans were respectively owing immediately before the date of vesting in substitution for the said Companies respectively who shall be discharged from all such liability.

(4) The Company may without further or other authority issue and dispose of all or any part of such amount of Stock in the original capital of the Company as shall not be required for allocation under this Scheme at such time to such persons and in such manner as the directors think advantageous to the Company.

Stockholders of Six Companies to Accept Stock of Company.

9.—(1) On and from the date of vesting the persons who by virtue of this Scheme become the registered holders of stock of the Company shall (subject to the provisions of this Scheme) accept and be deemed to have accepted the stock of the Company allocated to them under this Scheme in substitution for the stock of the six Companies held by them and in satisfaction of all claims arising thereunder.

(2) The several persons who immediately before the date of vesting shall appear in the books of the Great Eastern Company as the holders of Certificates for Contingent Rights shall in exchange for such Certificates held by them respectively be paid by the Company as regards the

holders of Certificates " A " the sum of seven shillings and six pence per centum on the nominal value thereof and as regards the holders of Certificates " B " the sum of two shillings per centum on the nominal value thereof and such payments shall be in satisfaction of all claims arising thereunder.

PRIORITIES.

10.—(1) The four per cent. First Guaranteed Stock in the original Capital of the Company shall be entitled in respect of every year ending on the 31st day of December to a dividend at the rate of four per cent. out of the profits of the Company applicable to the payment of dividend in priority to all other stock in the original capital of the Company except debenture stock and if in any year ending on the 31st day of December there are not profits available for the payment of the full amount of the said dividend for that year the deficiency shall be made good out of the profits of any subsequent year in priority to the payment of any dividend upon any other stock in the original capital of the Company except debenture stock.

(2) The four per cent. Second Guaranteed Stock in the original capital of the Company shall be entitled in respect of every year ending on the 31st day of December to a dividend at the rate of four per cent. out of the profits of the Company applicable to the payment of dividend in priority to all other stock in the original capital of the Company except debenture stock and the four per cent. First Guaranteed Stock and if in any year ending on the 31st day of December there are not profits available for the payment of the full amount of the said dividend for that year the deficiency shall be made good out of the profits of any subsequent year in priority to the payment of any dividend upon any other stock in the original capital of the Company except debenture stock and the four per cent. First Guaranteed Stock.

(3) The four per cent. First Preference Stock in the original capital of the Company shall be entitled in respect of every year ending on the 31st day of December to a dividend at the rate of four per cent. out of the profits of the Company applicable to the payment of dividend in priority to all other stock in the original capital of the Company except debenture stock and guaranteed stock but if in any year ending on the 31st day of December there are not profits available for the payment of the full amount of the said dividend for that year no part of the deficiency shall be made good out of the profits of any subsequent year or (subject to the provisions of Section 11 of the Railways Act) out of any other funds of the Company.

(4) The four per cent. Second Preference Stock in the original capital of the Company shall be entitled in respect of every year ending on the 31st day of December to a dividend at the rate of four per cent. out of the profits of the Company applicable to the payment of dividend in priority to the five per cent. Preferred Ordinary Stock and the Deferred

Ordinary Stock in the original capital of the Company but if in any year ending on the 31st day of December there are not profits available for the payment of the full amount of the said dividend for that year no part of the deficiency shall be made good out of the profits of any subsequent year or (subject to the provisions of Section 11 of the Railways Act) out of any other funds of the Company.

(5) The moneys which after payment of interest on the Debenture Stock of the Company and dividends on the Guaranteed and Preference Stocks of the Company are applicable for the payment of dividends in respect of any year ending on the 31st day of December and which the Company resolve so to apply shall be apportioned between the Preferred Ordinary Stock and the Deferred Ordinary Stock in the following manner in so far as the same are sufficient for the purpose (that is to say) :—

First. In payment to the registered holders of Preferred Ordinary Stock of a fixed maximum dividend of five pounds per centum per annum ;

Secondly. In payment of the balance to the registered holders of Deferred Ordinary Stock

Provided that if the said moneys are not sufficient for the payment of the said maximum dividend of five pounds per centum per annum on the Preferred Ordinary Stock no part of the deficiency shall be made good out of the profits of any subsequent year or (subject to the provisions of Section 11 of the Railways Act) out of any other funds of the Company.

DEBENTURE STOCKS TO RANK *pari passu*.

11. The three per cent. Debenture Stock and the four per cent. Debenture Stock in the original capital of the Company shall rank *pari passu*.

VOTING RIGHTS.

12. The holders of stock (other than Debenture Stock the holders of which shall have no voting rights) in the original capital of the Company and (unless otherwise provided by the terms of creation and issue thereof) the holders of stock (other than Debenture Stock) which may after the date of vesting be created by the Company under the provisions of this Scheme shall have such rights of voting as are conferred upon shareholders by Section 75 of the Companies Clauses Consolidation Act 1845 and for the purposes of that section each sum of £100 of such stock held by any such stockholder shall be deemed equivalent to one share.

NEW CERTIFICATES TO STOCKHOLDERS.

13. (Common form.)

LOST CERTIFICATES.

14. (Common form.)

FRACTIONS.

15. (Common form.)

STOCK OF COMPANY SUBJECT TO SAME TRUSTS, &C., AS STOCK OF SIX COMPANIES.

16. (Common form.)

TRUSTEE INVESTMENTS.

17. (Common form.)

REPEAL OF UNEXERCISED CAPITAL POWERS.

18. (Common form.)

ADDITIONAL CAPITAL.

19. The Company may raise by the creation and issue of new stock such additional capital as they shall think necessary not exceeding £20,852,342 and the Company may create and issue such new stock either wholly or partially as ordinary stock or wholly or partially as preference stock as they may think fit Provided that notwithstanding anything contained in the Companies Clauses Act 1863 any such preference stock may bear such rate of dividend as the directors of the Company determine at the time or times of the creation or issue thereof.

NEW PREFERENCE STOCK MAY RANK WITH ORIGINAL STOCK.

20. (Common form.)

DISPOSAL OF NEW STOCK.

21. (Common form.)

POWER TO CANCEL UNISSUED STOCK.

22. (Common form.)

POWER TO BORROW.

23. The Company may borrow on mortgage of their undertaking any sums not exceeding in the whole £15,449,050 (being the aggregate amount of the authorised but unexercised borrowing powers of the six Companies at the date of vesting) and of that sum they may borrow from time to time :—

(*a*) Any sums not exceeding in the whole £9,252,522 without being required to obtain the certificate of a justice under the fortieth section of the Companies Clauses Consolidation Act 1845 and

(*b*) In respect of the additional capital of £20,852,342 which they are by this Scheme authorised to raise any sums not exceeding in the whole £6,196,528 and of such sum of £6,196,528 the Company may borrow from time to time any sum or sums not exceeding in the whole one-third part of the amount of the new stock by this Scheme authorised to be created and issued and which at the time has been actually issued

and accepted but no part thereof shall be borrowed until a sum equal to one-half of the stock so issued and accepted has been paid in respect thereof and the Company have proved to the justice who is to certify under the fortieth section of the Companies Clauses Consolidation Act 1845 before he so certifies that such stock is held by the persons to whom the same was issued or their executors administrators successors or assigns and that the said sum has been bona fide paid in respect thereof. Upon production to such justice of the books of the Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which shall be sufficient evidence thereof.

APPOINTMENT OF RECEIVER.

24. (Common form.)

DEBENTURE STOCK.

25. The Company may create and issue debenture stock subject to the provisions of Part III of the Companies Clauses Act 1863 but notwithstanding anything therein contained the interest of all debenture stock and of all mortgages at any time created and issued or granted by the Company under this Scheme or any Act of Parliament hereafter passed shall subject to the provisions of any such Act rank *pari passu* (without respect to the dates of the securities or of the Act of Parliament or resolutions by which the stock and mortgages were authorised) and shall have priority over all principal moneys secured by such mortgages.

REDEEMABLE PREFERENCE AND DEBENTURE STOCK.

26.—(1) If the Company desire to raise any capital by the issue of preference stock or to issue any debenture stock which they are by this scheme authorised to create or issue they may create and issue such preference stock or debenture stock so as to be redeemable at such times and in such manner and on and subject to such terms and conditions and to bear such rate or rates of dividend or interest as the directors of the Company at the time or times of the creation or issue thereof shall determine.

(2) There shall be stated on each certificate of any such redeemable preference or redeemable debenture stock the time at which and the manner in which and the terms and conditions on and subject to which such stock is to be redeemed.

(3) For the purpose of providing money for paying off or redeeming any such redeemable preference or redeemable debenture stock the Company may create and the directors of the Company may issue other stock either ordinary preference or debenture stock and either redeemable or not or the directors of the Company may re-issue any preference

or debenture stock originally created and issued in pursuance of the provisions of this Scheme. Provided that the creation and issue of any particular class of stock in pursuance of the provisions of this section do not make the total amount of that class of stock issued exceed the amount of that class of stock which the Company are for the time being authorised to create and issue except during the necessary interval between the creation and issue of the new stock and the redemption of the old stock.

Redemption Fund.

27.—(1) The Company may from time to time set aside out of net revenue and after providing for the payment of interest or dividends on any loans mortgages bonds or debenture stock or preference stock of the Company and for other fixed charges and obligations such sums as the Company may consider proper for the purpose of forming a fund for the redemption at maturity of any redeemable stock which the Company may have issued in pursuance of the provisions of this Scheme and which under the conditions of the issue thereof is redeemable wholly or partly in cash and the Company may invest any sums so set apart and the income therefrom in any securities in which trustees are for the time being by law authorised to invest trust funds or in any other securities (not being except as hereinafter provided securities of the Company) in which they may be authorised to invest those sums by a resolution passed at a general meeting of the Company.

(2) All sums so set apart shall be applied to the redemption at maturity of any redeemable stock for the redemption of which they have been set apart or may if the directors of the Company think fit be applied in the purchase of any such stock at a price not exceeding the redemption price and any stock so purchased shall be treated as redeemed.

Application of Capital.

28. (Common form.)

Application of Moneys.

29. (Common form.)

Receipt in Case of Persons not *sui juris*.

30. (Common form.)

Interest on Money Advanced Beyond Calls.

31. (Common form.)

Scottish Stockholders and Scottish Trusts.

32. (*See* preceding Scheme.)

Date of Ordinary Meetings.

33. The ordinary meetings of the Company shall be held in the month of February or March but not later than the fifteenth day of March and the first ordinary meeting of the Company shall be so held in the year one thousand nine hundred and twenty-four.

Quorum of Meetings of Company.

34. The quorum of a meeting of the Company shall be twenty stockholders (other than debenture stockholders) holding in the aggregate stock (other than debenture stock) of the Company of a nominal value of one million pounds.

Power of Directors to Determine Remuneration of Secretary.

35. In addition to the powers which the directors of the Company may exercise under the Companies Clauses Acts 1845 to 1889 or otherwise they may from time to time determine the remuneration of the secretary of the Company.

First Directors.

36.—(1) For the period commencing on the date of vesting and ending on the date of the first ordinary meeting of the Company the Company shall be directed by a Board consisting of twenty-six directors as follows:—nine elected by the proprietors of the North Eastern Company four elected by the proprietors of the Great Central Company four elected by the proprietors of the Great Eastern Company four elected by the proprietors of the Great Northern Company four elected by the proprietors of the North British Company and one elected by the proprietors of the Great North of Scotland Company.

(2) The directors so elected shall hold office until the date of the first ordinary meeting and shall then retire but any director so retiring may if otherwise qualified be elected as a director of the Company under the provisions hereinafter contained.

(3) In the event of a casual vacancy occurring during the said period amongst the directors the vacancy shall be filled by a person co-opted by the other directors being a person who was a director of the dissolved company by the proprietors of which the vacating director was elected.

Directors after First Ordinary Meeting.

37.—(1) At the first ordinary meeting of the Company the proprietors shall elect a Board of Directors consisting of not more than twenty-eight persons of whom one-third or if their number be not a multiple of three then the number nearest to but not exceeding one-third shall be deemed to have been elected for one year and one-third or such nearest number as aforesaid shall be deemed to have been elected for two years and the directors who shall be deemed to have been elected for one year and two years respectively shall be selected by lot unless the directors otherwise agree.

(2) Except as otherwise herein provided the term of office of a director shall be three years but on retirement he may if otherwise qualified be re-elected.

(3) The qualification of a director shall be the possession in his own right of stock of the Company (other than debenture stock) of the

nominal value of not less than £3,000 one half of which shall be Ordinary Stock.

(4) Any casual vacancy occurring among the directors shall be filled by a person co-opted by the directors and any director co-opted to fill a casual vacancy shall hold office for the same period as that for which his predecessor would have held office.

DIRECTORS MAY BE INCREASED OR DECREASED.

38. The Company may from time to time at any time after the first ordinary meeting of the Company increase or decrease the number of directors provided that the number be not at any time more than twenty-eight or less than sixteen.

AUDITORS.

39. For the period commencing on the date of vesting and ending on the date of the first ordinary meeting of the Company the auditors of the Company shall be the persons who immediately prior to the date of vesting are the auditors of the six Companies.

APPOINTMENT OF COMMITTEES.

40. Any committee or committees appointed under Section 95 of the Companies Clauses Consolidation Act 1845 may comprise persons who are not directors of the Company provided that every such person has the qualification of a director of the Company.

CLOSING OF TRANSFER BOOKS.

41.—(1) The directors of the Company may close the register of transfers of any ordinary or preference or guaranteed stock of the Company for a period not exceeding twenty-one days before and twenty-one days after the declaration of any dividend on any such ordinary or preference or guaranteed stock and may close the register of transfers of debenture stock of the Company for a period not exceeding fourteen days previous to the payment of any interest on any such debenture stock and the directors may in any such case fix a day for the closing of any register which they are authorised to close under the provisions of this section.

(2) Seven days' notice of the closing of any such register shall be given by advertisement in some newspaper published or circulating in London and Edinburgh and any transfer of any ordinary or preference or guaranteed stock lodged for registration with the Company while the transfer books relating to such ordinary or preference or guaranteed stock are so closed and any transfer of any debenture stock lodged for registration with the Company while the transfer books relating to such debenture stock are so closed shall as between the Company and the person claiming under any such transfer but not otherwise be considered as made subsequently to the declaration of any such dividend or the payment of any such interest as the case may be.

JOINT HOLDERS.

42. (Common form.)

APPOINTMENT OF PROXIES.

43. (Common form.)

COMPENSATION TO RETIRING DIRECTORS.

44. Each of the six Companies may pay out of its assets to all or any of its directors who suffer loss by abolition of office such compensation as may be approved by its proprietors.

DIRECTORS, &c., TO CONTINUE IN OFFICE FOR CERTAIN PURPOSES.

45. Notwithstanding anything contained in this Scheme :—

(*a*) The persons who are the directors officers and auditors of the six Companies in office immediately before the date of vesting or the survivors of them shall be deemed to be in office for the purpose of the preparation and auditing of accounts and balance-sheets for the production of the same to the proprietors of the six Companies and for the declaration of dividends for the year ending the thirty-first day of December one thousand nine hundred and twenty-two and for the summoning holding and conduct of the meetings next hereinafter mentioned ;

(*b*) An annual general meeting of each of the six Companies shall be held in the month of February or March (but not later than the fifteenth day of March) one thousand nine hundred and twenty-three and the persons who on the thirty-first day of December one thousand nine hundred and twenty-two are the proprietors of the six Companies shall be deemed to be proprietors of the six Companies for the purpose of receiving the statements of accounts and declaring and receiving the dividends of the six Companies for the year ending the thirty-first day of December one thousand nine hundred and twenty-two.

COMPANY TO PAY DIVIDENDS AND INTEREST IN CERTAIN EVENTS AND COMPENSATION TO DIRECTORS.

46. Any dividends declared or payable or which may be declared or become payable and any interest payable by the six Companies and any compensation which the proprietors of the six Companies may have determined should be paid out of the respective assets of the six Companies to their respective directors who suffer loss by abolition of office and not paid by such Companies shall be paid by the Company.

USE OF NAMES OF SIX COMPANIES.

47. During a period of twelve months commencing on the date of vesting the Company shall be entitled to carry on business in the name or names of the six Companies or in the name of any subsidiary company in the North Eastern Eastern and East Scottish Group which has been

absorbed in addition to or in substitution for the name of the Company and all contracts and engagements made or entered into by the Company during the said period in any such name or names shall be binding upon and enforceable by the Company.

SUPERANNUATION FUNDS, &c.

48.—(1) to (8) (Common form.)

(9)—(i) The Managing Committee of the Great Eastern Railway New Superannuation Fund shall consist of four directors of the Company and four officers of the Company being members for the time being of that fund who shall be appointed by the directors of the Company.

(ii) For the four directors and five officers of the Great Eastern Company forming part of the Managing Committee of the Great Eastern Railway New Pension Scheme and of the Managing Commitee of the Great Eastern Railway New Pension Supplemental Scheme there shall be substituted four directors and five officers of the Company to be appointed by the directors of the Company.

(iii) For the three directors and three officers of the Great Eastern Company forming part of the Managing Committee of the Great Eastern Railway Accident Fund there shall be substituted three directors of the Company and three officers of the Company to be appointed by the directors of the Company.

FOR PROTECTION OF POSTMASTER-GENERAL.

49. (Common form.)

APPENDIX IV.

FINANCIAL CONDITIONS OF AMALGAMATION AND ABSORPTION.

(Exchange of Stocks.)

London and North Western and Lancashire and Yorkshire Railway Companies Amalgamation Scheme, 1921.

Present Capital of Lancashire & Yorkshire Company.	£	Relative Capital of the Company.	£
3% Debenture Stock	20,177,987	3% Debenture Stock	20,177,987
6% Minimum Preference Stock	288,375	Consolidated 4% Guaranteed Stock	450,586
4½% Minimum Preference Stock	100,000	Consolidated 4% Guaranteed Stock.	125,000
4% Consolidated Guaranteed Stock	2,596,012	Consolidated 4% Guaranteed Stock	2,596,012
3% Consolidated Preference Stock	25,400,900	Consolidated 4% Preference Stock	19,050,675
4% Preference Stock (1903) ..	1,848,000	4% Preference Stock (1902) ..	1,848,000
4% Preference Stock (1908) ..	1,704,661	4% Preference Stock (1902) ..	1,704,661
5% Redeemable Preference Stock (1916)	700,000	5% Redeemable Preference Stock (1916)	700,000
Consolidated Ordinary Stock ..	18,840,995	Consolidated Stock	13,753,926
Mortgages	575,000	Mortgages	575,000
	£72,231,930		£60,981,847

Stock or Mortgages of the Lancashire & Yorkshire Company.	Relative Capital of the Company.
£100 3% Debenture Stock	£100 3% Debenture Stock.
£100 6% Minimum Preference Stock.	£156¼ Consolidated 4% Guaranteed Stock.
£100 4½% Minimum Preference Stock.	£125 Consolidated 4% Guaranteed Stock.
£100 4% Consolidated Guaranteed Stock.	£100 Consolidated 4% Guaranteed Stock.
£100 3% Consolidated Preference Stock.	£75 Consolidated 4% Preference Stock.
£100 4% Preference Stock (1903).	£100 4% Preference Stock (1902).
£100 4% Preference Stock (1908).	£100 4% Preference Stock (1902).
£100 5% Redeemable Preference Stock(1916).	£100 5% Redeemable Preference Stock.
£100 Consolidated Ordinary Stock.	£73 Consolidated Stock.
£100 Mortgage.	£100 Mortgage.

Great Western Preliminary Amalgamation Scheme.

(1) Name of Vested Company.	(2) Description of Stocks, Shares and Securities of vested Company.	(3) Amount issued.	(4) Stock or Deferred Certificates for Stock of Great Western Company to be issued to holders of Amounts in Column 3.	(5) Proportion of Stock or Deferred Certificates for Stock in Column 4 to be issued in exchange for each £100 of Stock or Shares in Column 3.
		£	£	£ s. d.
Cambrian Railways Company.	4% "A" Debenture Stock	1,421,211	1,421,211 4% Debenture Stock	100 0 0
	4% "B" Debenture Stock	855,848	748,867 4% Debenture Stock	87 10 0
	4% "C" Debenture Stock	400,000	280,000 5% Consolidated Preference Stock	70 0 0
	4% "D" Debenture Stock	507,565	304,539 5% Consolidated Preference Stock	60 0 0
	No. 1 4% Preference Stock	163,829	46,808 Consolidated Ordinary Stock ..	28·57 0 0
	No. 2 4% Preference Stock	484,000	103,840 Conslolidated Ordinary Stock Deferred Certificates to bear dividend as on and from 1st January, 1929.	21·454 0 0
	No. 3 4% Preference Stock	415,729	38,650 ditto.	9·297 0 0
	No. 4 4% Preference Stock	856,120	67,348 ditto.	7·866 0 0
	Ordinary Capital No. 1	738,464 10s.	21,124 ditto.	2·86 0 0
	Coast Consolidated Ordinary Stock ..	682,982	19,538 ditto.	2·86 0 0
Cardiff Railway Company.	3% Debenture Stock	2,033,300	1,524,975 4% Debenture Stock	75 0 0
	4% First Preference £100 Shares ..	900,000	720,000 5% Consolidated Preference Stock	80 0 0
	4% Second Preference £100 Shares ..	100,000	80,000 5% Consolidated Preference Stock	80 0 0
	4% Preferred Ordinary Stock ..	500,000	400,000 5% Consolidated Preference Stock	80 0 0
	3% Second Preferred Ordinary £100 Shares.	200,000	90,000 Consolidated Ordinary Stock ..	45 0 0
	For :—			
	Loans	445,200	100,000 4% Debenture Stock, £420,000 5% Consolidated Preference Stock, and £268,000 Consolidated Ordinary Stock.	—
	and	547,666		
	Ordinary £100 Shares	2,600,000		
Rhymney Railway Company.	4% Perpetual Debenture Stock ..	421,699	421,699 4% Debenture Stock	100 0 0
	Consolidated 4% Preference Stock ..	993,090	794,472 5% Consolidated Preference Stock	80 0 0
	Undivided Ordinary Stock	555,979	444,783 4s. 5% Consolidated Preference Stock	80 0 0
			and	and
			444,783 4s. Consolidated Ordinary Stock ..	80 0 0
	Preferred Ordinary Stock	432,939	346,351 4s. 5% Consolidated Preference Stock	80 0 0
	Deferred Ordinary Stock	432,939	346,351 4s. Consolidated Ordinary Stock ..	80 0 0

Taff Vale Railway Company.	3% Debenture Stock	1,526,258	1,144,693	10*s.* 4% Debenture Stock	75	0	0
	4% Preference Stock	3,452,640	2,762,112	5% Consolidated Preference Stock ..	80	0	0
	Ordinary Stock	5,192,500	3,115,500	Consolidated Ordinary Stock ..	60	0	0
Alexandra (Newport and South Wales) Docks and Railway Company.	4% Debenture Stock	511,787	511,787	4% Debenture Stock	100	0	0
	*4% Redeemable Debenture Stock ..	581,963	581,963	4% Debenture Stock	100	0	0
	4½% First Preference Consolidated Stock "A."	1,000,000	900,000	5% Consolidated Preference Stock	90	0	0
			900,000	5% Consolidated Preference Stock	90	0	0
	4½% Second Preference Consolidated Stock "B."	1,000,000	450,000	5% Consolidated Preference Stock and	45	0	0
	Consolidated Ordinary Stock ..	1,000,000	450,000	Consolidated Ordinary Stock ..	45	and 0	0

[* This Stock was issued and is held as security for temporary loan ; the Great Western Stock to be issued in exchange will be substituted for it as security for such loan.]

[See also Great Western & Barry Preliminary Amalgamation Scheme Schedule on next page.]

North Eastern and Hull and Barnsley Railway Companies Amalgamation Scheme, 1922.

Present Capital of the Hull & Barnsley Company.	£	Relative Capital of the Company.	£
First Debenture 3% Stock ..	1,578,947	3% Debenture Stock	1,578,947
Second Debenture (3% × 1% Contingent on Earnings) Stock	2,000,000	3% Debenture Stock	2,000,000
3½% Preference Stock ..	750,000	4% Preference Stock	500,000
4% Preference Stock	750,000	4% Preference Stock	656,250
Consolidated (Ordinary) Stock	3,300,000	4% Preference Stock	750,000
		North Eastern Consols ..	1,815,000
	£8,378,947		£7,300,197

Stocks of the Hull & Barnsley Company.	Relative Stocks of the Company.
£100 First Debenture 3% Stock.	£100 3% Debenture Stock.
£100 Second Debenture (3% × 1% Contingent on Earnings) Stock.	£100 3% Debenture Stock.
£100 3½% Preference Stock.	£25 4% Preference Stock.
£100 4% Preference Stock.	£87 10s. 4% Preference Stock.
£100 Consolidated (Ordinary) Stock.	£100 4% Preference Stock.
	£55 North Eastern Consols.

And (ii) the said capital amounting to £1,581,617 is hereby cancelled.

G.W.R. & BARRY AMALGAMATION SCHEME.

Statement of Capital of Barry Company.

(1) Description of Stock of Barry Company.	(2) Amount issued.	(3) Stock of Great Western Company to be issued to holders of amounts in Column 2.		(4) Proportion of Stock in Column 3 to be issued in exchange for each £100 of Stock in Column 2.
	£			£
Consolidated 3% Debenture Stock	1,220,031	£915,023 5s.	4% Debenture	75
5% Preference Stock ..	598,760	£598,760.	5% Consolidated Preference Stock	100
Consolidated 4% Preference Stock	1,080,000	£864,000.	5% Consolidated Preference Stock	80
4% Third Preference Stock..	204,291	£163,432 16s.	5% Consolidated Preference Stock	80
Ordinary Stock	687,968	£550,374 8s.	5% Consolidated Preference Stock	80
		£963,155 4s.	5% Consolidated Guaranteed Stock	140
Preferred Converted Ordinary Stock	1,313,272	£1,050,617 12s.	5% Consolidated Preference Stock	80
Deferred Converted Ordinary Stock	1,313,272	£1,838,580 16s.	5% Consolidated Guaranteed Stock	140

THE GREAT WESTERN RAILWAY (WESTERN GROUP) PRELIMINARY ABSORPTION SCHEME (No. 1), 1922.

The Schedule.

(1) Name of vested Company.	(2) Description of Stocks, Shares and Securities of vested Company.	(3) Amount issued.	(4) Cash to be paid or Stock of Great Western Company to be issued to holders of amounts in Column 3.	(5) Proportion of Cash or Stock in Column 4 to be issued in exchange for each £100 of Stock or fully paid Shares or Securities in Column 3.
		£		£ s. d.
Cleobury Mortimer Company.	5% Loans	27,000	£27,000 4% Debenture Stock	100 0 0
	Ordinary Shares (£1 each)	87,051	£29,017 Consolidated Ordinary Stock	33 6 8
Penarth Harbour Company.	3½% Debenture Stock	77,510	£67,821 5s. 4% Debenture Stock	87 10 0
	4% Debenture Stock	179,490	£179,490 4% Debenture Stock	100 0 0
	Ordinary Stock	772,000	£810,600 5% Consolidated Guaranteed Stock.	105 0 0
Port Talbot Company	4% Debenture Stock	460,520	£460,520 4% Debenture Stock	100 0 0
	4% Preference Shares (£10 each)	600,000	£480,000 5% Consolidated Preference Stock.	80 0 0
	Ordinary Shares (£10 each)	630,000	£1,134,000 5% Consolidated Guaranteed Stock.	180 0 0
Princetown Company	4½% Loans	19,900	£22,387 10s. 4% Debenture Stock	112 10 0
	Lloyds Bonds	11,000	Held by or on behalf of Great Western Company and to be cancelled.	—
	"A" Stock	30,000		
	"B" Stock	7,960	£597 cash	7 10 0
	"C" Stock	22,000	£1,540 cash	7 0 0
Rhondda Company	4% Debenture Stock	272,000	£272,000 4% Debenture Stock	100 0 0
	5% Preference Shares (£10 each)	505,350	£505,350 5% Consolidated Preference Stock.	100 0 0
	Ordinary Shares (£10 each)	421,650	£590,310 5% Consolidated Guaranteed Stock.	140 0 0

GREAT WESTERN PRELIMINARY ABSORPTION SCHEME No. 2.

(1) Name of vested Company.	(2) Description of Stocks, Shares and Securities of vested Company.	(3) Amount issued.	(4) Stock or Deferred Certificates for Stock of Great Western Company to be issued to Holders of Amounts in Column 3.	(5) Proportion of Stock or Deferred Certificates for Stock in Column 4 to be issued in exchange for each £100 of Stock or fully paid Shares or Securities in Column 3.	(6) Rate per cent. of interest or dividend to be paid in respect of the half-year ended 30th June 1922.
		£		£	£ s. d.
Brecon and Merthyr Company.	5% Rumney Preference Shares (£100 each).	29,900	£37,375 4% Debenture Stock ..	125	2 10 0
	4% "A" Debenture Stock ..	367,271	£367,271 4% Debenture Stock ..	100	2 0 0
	4% "B" Debenture Stock ..	557,211	£139,302 15s. 4% Debenture Stock ..	25	2 0 0
			£334,326 12s. 5% Consolidated Preference Stock.	60	
	4% Consolidated First Preference Stock.	106,165	£84,932 5% Consolidated Preference Stock.	80	2 0 0
	4% Consolidated Second Preference Stock.	205,691	£117,243 18s. Consolidated Ordinary Stock	57	1 6 0
	4% Consolidated Third Preference Stock.	223,498	£100,574 2s. Consolidated Ordinary Stock	45	1 2 6
	4% Consolidated Fourth Preference Stock.	321,485	£112,519 15s. Consolidated Ordinary Stock Deferred Certificates to bear dividend as on and from 1st January, 1929.	35	Nil.
	Consolidated Ordinary Stock	264,360	£74,020 16s. Consolidated Ordinary Stock Deferred Certificates to bear dividend as on and from 1st January, 1929.	28	Nil.
Burry Port Company.	4% Debentures	80,000	£80,000 4% Debenture Stock ..	100	2 0 0
	4% Debenture Stock	60,000	£60,000 4% Debenture Stock ..	100	2 0 0
	5% Preference Shares (£10 each)	33,120	£33,120 5% Consolidated Preference Stock.	100	2 10 0
	Ordinary Shares (£10 each) ..	25,350	£36,250 10s. Consolidated Ordinary Stock	143	3 0 0

Lampeter Company.	Mortgage Debentures ..	40,700	£13,566 13s. 4d.	2½% Debenture Stock ..	33⅓	—	
	Mortgage Debentures ..	5,128	Held by Great Western Company, and to be cancelled.		—	—	
	Mortgage Debentures ..	7,675	Held by National Provincial and Union Bank of England, Limited, and to be cancelled.		—	—	
	5% Preference Shares (£1 each)	22,353	To be cancelled		—	—	
	Ordinary Shares (£1 each) ..	22,497	To be cancelled		—	—	
Neath and Brecon Company.	4% First Debenture Stock ..	129,954	£129,954	4% Debenture Stock ..	100	2 0 0	
	4% "A. 1" Debenture Stock	169,699	£169,699	4% Debenture Stock ..	100	2 0 0	
	4% "A. 2" Debenture Stock	159,256	£127,404 16s.	5% Consolidated Preference Stock.	80	2 0 0	
	4% "B" Debenture Stock ..	222,112	£177,689 12s.	5% Consolidated Preference	80	2 0 0	
	4% Preference Stock	400,402	£228,229 3s.	Consolidated Ordinary Stock	57	1 10 0	
	Ordinary Stock	256,230	£38,434 10s.	Consolidated Ordinary Stock	15	Nil.	
Ross and Monmouth Company.	3½% Debentures	47,300	To be adopted by Great Western Company		—	1 15 0	
	6% Preference Shares (£20 each)	80,000	£96,000	5% Consolidated Preference Stock	120	3 0 0	
	Ordinary Shares (£20 each) ..	80,000	£28,000	5% Consolidated Preference Stock	35	0 17 6	
Vale of Glamorgan Company.	3% Debenture Stock	127,000	£95,250	4% Debenture Stock	75	1 10 0	
	Ordinary Stock	533,000	£533,000	5% Consolidated Guaranteed Stock.	100	2 10 0	
West Somerset Company.	4% Debenture Stock	40,000	£40,000	4% Debenture Stock.	100	2 0 0	
	4% Irredeemable Preference Stock.	76,200	£60,960	5% Rent Charge Stock ..	80	2 0 0	
	Ordinary Stock	67,780	£37,279	5% Rent Charge Stock ..	55	1 7 6	
Wrexham Company.	4% Debenture Stock	58,000	£58,000	4% Debenture Stock	100	2 0 0	
	4% Preference Shares (£10 each)	50,000	£40,000	5% Consolidated Preference Stock	80	2 0 0	
	Ordinary Shares (£10 each) ..	180,000	£126,000	5% Consolidated Preference Stock	70	1 15 0	

L. and N.W. (North London and Dearne Valley Railways) Preliminary Absorption Scheme.

First Part.

(1) Name of Company.	(2) Description and Amount of Stock of Companies named in Column (1). respectively.	(3) Description and Amount of Stock of the North Western Company created and issued by virtue of this Scheme.	(4) Amount of North Western Company's Stock in Column (3) to be issued in exchange or Cash to be Paid for each £100 of Stock in Column (2) and so in proportion.
			£ s. d.
North London Company	£6,500 4% Debenture	£8,666 13*s.* 4*d.* 3% Debenture	133 6 8 Stock.
	£980,966 4½% Debenture	£1,471,449 3% Debenture	150 0 0 Stock.
	£700,000 4½% to 5% Preferential Consolidated (1866)	£875,000 Consolidated 4% Preference	125 0 0 Stock.
	£250,000 4½% Second Preference Consolidated (1875)	£281,250 4% Preference (1902)	112 10 0 Stock.
	£705,670 Consolidated	£564,536 Consolidated	80 0 0 Stock.
Dearne Valley Company	£1,000 4% Debenture..	£1,333 6*s.* 8*d.* 3% Debenture	133 6 8 Stock.
	£132,000 Ordinary ..	Nil	100 0 0 Cash.

Second Part.

£1,328,730 Consolidated Stock of the North London Company to be cancelled.

£199,000 4% Debenture
£100,000 4% Preference
£353,000 Ordinary
} Stock of the Dearne Valley Company to be cancelled.

(1) Names of the Vested Companies.	(2) Description of Stock of the Vested Companies.	(3) Amount issued.	(4) Description of Stock of the Company.	(5) Amount to be issued.	(6) Amount of Stock in Columns (4) and (5) to be issued in exchange for each £100 of Stock in Columns (2) and (3) and so in proportion.
		£		£	£ s. d.
London and South Western Railway Company	3% Budleigh Salterton Railway Debenture Bonds	2,000	Terminable Loans	2,000	100 0 0
	3% Debenture Stock (A)	832,032	4% Debenture Stock	624,024	75 0 0
	3% Debenture Stock (Consolidated) ..	14,579,745	4% Debenture Stock	10,934,809	75 0 0
	4% Consolidated Guaranteed Stock ..	797,980	5% Guaranteed Preference Stock ..	638,384	80 0 0
	4% Consolidated Preference Stock ..	8,945,000	5% Preference Stock	7,156,000	80 0 0
	4% Perpetual Preference Stock (1884)	1,999,836	5% Preference Stock	1,599,869	80 0 0
	3½% Preference Stock	7,755,401	5% Preference Stock	5,428,780	70 0 0
	5% Redeemable Preference Stock (1914)	1,000,000	5% Redeemable Preference Stock (1924)	1,000,000	100 0 0
	Undivided Ordinary Stock	5,676,624	Preferred Ordinary Stock	4,541,299	80 0 0
			Deferred Ordinary Stock	5,368,103	94 11 3
	Preferred Converted Ordinary Stock	8,848,910	Preferred Ordinary Stock	7,079,128	80 0 0
	Deferred Converted Ordinary Stock ..	8,848,910	Deferred Ordinary Stock	8,367,978	94 11 3
	Total	£59,286,438	Total	£52,740,374	
London, Brighton and South Coast Railway Company.	4% Debenture Stock	1,306,239	4% Debenture Stock	1,306,239	100 0 0
	4½% Debenture Stock	5,869,602	4% Debenture Stock	6,603,302	112 10 0
	5% Consolidated Guaranteed Stock	1,955,860	5% Guaranteed Preference Stock ..	1,955,860	100 0 0
	Contingent Rights Certificates in respect of the late 6% Stock No. 1 £395,395.	—	Ordinary B Stock	78,679	20 0 0
	5% Consolidated Preference Stock ..	6,190,315	5% Preference Stock	6,190,315	100 0 0
	5% Second Consolidated Preference Stock.	3,932,000	5% Preference Stock	3,932,000	100 0 0
	Undivided Ordinary Stock	2,109,160	Preferred Ordinary Stock	1,265,496	60 0 0
			Deferred Ordinary Stock	1,867,516	88 10 9
	Preferred Ordinary Stock	4,169,220	Preferred Ordinary Stock	5,003,064	120 0 0
	Deferred Ordinary Stock	4,169,220	Deferred Ordinary Stock	7,383,130	177 1 6
	Total	£29,701,616	Total	£35,585,601	

RAILWAYS (SOUTHERN GROUP) AMALGAMATION SCHEME—*continued.*

(1) Names of the Vested Companies.	(2) Description of Stock of the Vested Companies.	(3) Amount issued.	(4) Description of Stock of the Company.	(5) Amount to be issued.	(6) Amount of Stock in Columns (4) and (5) to be issued in exchange for each £100 of Stock in Columns (2) and (3) and so in proportion.
		£		£	£ s. d.
South Eastern Railway Company.	Amount of Capital represented by Perpetual Annuities.	800,000	4% Debenture Stock	1,025,000	128 2 6
	3% Debenture Stock	2,010,650	4% Debenture Stock	1,507,988	75 0 0
	3½% Debenture Stock	173,000	4% Debenture Stock	140,563	81 5 0
	3½% Debenture Stock	680,766	4% Debenture Stock	595,670	87 10 0
	4% Debenture Stock	1,459,155	4% Debenture Stock	1,459,155	100 0 0
	4½% Debenture Stock	1,500	4% Debenture Stock	1,687	112 10 0
	5% Debenture Stock	4,342,440	4% Debenture Stock	5,428,050	125 0 0
	4% (Vested Companies) Stock ..	719,175	5% Guaranteed Preference Stock ..	575,340	80 0 0
	4½% Consolidated Guaranteed Stock	984,300	5% Guaranteed Preference Stock ..	885,870	90 0 0
	4½% Consolidated Preference Stock	2,172,580	5% Preference Stock	1,955,322	90 0 0
	5% Consolidated Preference Stock ..	2,640,820	5% Preference Stock	2,640,820	100 0 0
	4% Preference Stock (1891)	299,000	5% Preference Stock	239,200	80 0 0
	3½% Preference Stock	732,000	5% Preference Stock	512,400	70 0 0
	3% Preference Stock	2,729,000	5% Preference Stock	1,637,400	60 0 0
	4% Preference Stock (1900)	1,996,620	5% Preference Stock	1,597,296	80 0 0
	4% Convertible Preference Stock (1903).	997,190	5% Preference Stock	797,752	80 0 0
			Ordinary B Stock	99,719	10 0 0
	5% Preference Stock (1914)	500,000	5% Preference Stock	500,000	100 0 0
	5% Redeemable Preference Stock ..	175,302	5% Redeemable Preference Stock (1926)	175,302	100 0 0
	Undivided Ordinary Stock	1,357,120	Preferred Ordinary Stock	814,272	60 0 0
			Deferred Ordinary Stock	588,946	43 8 0
	Preferred Ordinary Stock	4,346,050	Preferred Ordinary Stock	5,215,260	120 0 0
	Deferred Ordinary Stock	4,346,050	Deferred Ordinary Stock	3,772,095	86 16 0
	Total .. .. .. £	33,462,718	Total .. .. £	32,165,107	

		£		£	£ s. d.
London Chatham and Dover Railway Company.	Terminable Loans	563,242	Terminable Loans	563,242	100 0 0
	4½% Sheerness Rent Charge Stock ..	119,997	4% Debenture Stock	67,498	56 5 0
			5% Guaranteed Preference Stock ..	10,800	9 0 0
			5% Preference Stock	43,199	36 0 0
	4½% Arbitration Debenture Stock ..	5,528,504	4% Debenture Stock	3,109,784	56 5 0
			5% Guaranteed Preference Stock ..	497,565	9 0 0
			5% Preference Stock	1,990,261	36 0 0
	4½% B Debenture Stock	969,674	4% Debenture Stock	545,442	56 5 0
			5% Guaranteed Preference Stock ..	87,271	9 0 0
			5% Preference Stock	349,082	36 0 0
	4% Debenture Stock (1879)	370,711	4% Debenture Stock	185,355	50 0 0
			5% Guaranteed Preference Stock ..	29,657	8 0 0
			5% Preference Stock	118,627	32 0 0
	4% Debenture Stock (1883)	850,641	4% Debenture Stock	425,321	50 0 0
			5% Guaranteed Preference Stock ..	68,051	8 0 0
			5% Preference Stock	272,205	32 0 0
	3% Debenture Stock (1890)	707,400	4% Debenture Stock	265,275	37 10 0
			5% Guaranteed Preference Stock ..	42,444	6 0 0
			5% Preference Stock	169,776	24 0 0
	3% Debenture Stock (1899)	450,000	4% Debenture Stock	168,750	37 10 0
			5% Guaranteed Preference Stock ..	27,000	6 0 0
			5% Preference Stock	108,000	24 0 0
	3½% Debenture Stock	1,250,000	4% Debenture Stock	546,875	43 15 0
			5% Guaranteed Preference Stock ..	87,500	7 0 0
			5% Preference Stock	350,000	28 0 0
	4% Debenture Stock (1909)	430,400	4% Debenture Stock	215,200	50 0 0
			5% Guaranteed Preference Stock ..	34,432	8 0 0
			5% Preference Stock	137,728	32 0 0
	3⅛% Shortlands Railway Guaranteed Stock.	280,000	5% Preference Stock	196,000	70 0 0
	4½% Arbitration Preference Stock ..	6,727,365	5% Preference Stock	1,816,370	27 0 0
			Preferred Ordinary Stock	2,906,222	43 4 0
			Ordinary A Stock	2,102,011	31 5 0
	4½% Second Preference Stock ..	871,467	Preferred Ordinary Stock	522,880	60 0 0
			Ordinary A Stock	378,187	43 8 0
	Arbitration Ordinary Stock	11,259,282	Ordinary B Stock	5,911,123	52 10 0
	Total .. .. .. £	30,378,683	Total .. .. £	24,349,133	

L. AND S.W. (SOUTHERN GROUP) PRELIMINARY ABSORPTION SCHEME.

(1) Name of the Vested Company.	(2) Stocks, Shares and Securities of the Vested Company.		(3) Stock of London and South Western Company to be issued (or cash to be paid) in exchange.		(4) Amount of Stock (or cash) stated in Column 3 to be issued (or paid) in exchange for each £100 of Stock, &c., stated in Column 2 and so in proportion.	(5) Rate per cent. of Dividend permitted by Scheme for year 1922 on Stock Shares and Securities stated in Column (2).
	Amount.	Description.	Amount.	Description.		
	£		£		£ s. d.	£ s. d.
Bridgewater Railway Company.	45,000	4% Debenture Stock	60,000	3% Debenture Stock Consolidated.	133 6 8	4 0 0
	60,000	4½% Preference Stock	67,500	4% Consolidated Guaranteed Stock.	112 10 0	4 10 0
	75,000	Ordinary Stock	56,250	4% Consolidated Guaranteed Stock.	75 0 0	2 13 4
Isle of Wight Railway Company.	200,750	4% Debenture Stock	267,667	3% Debenture Stock Consolidated.	133 6 8	4 0 0
	84,012	4% Preference Stock	95,984	3½% Preference Stock ..	114 5 0	4 0 0
	177,100	Preferred Converted Ordinary Stock.	177,100	Preferred Converted Ordinary Stock.	100 0 0	4 0 0
	177,100	Deferred Converted Ordinary Stock.	12,989	Preferred Converted Ordinary Stock.	7 5 8	2 10 0
			189,998	Deferred Converted Ordinary Stock.	107 5 8	
Isle of Wight Central Railway Company.	119,955	3% Debenture Stock "A" ..	119,955	3% Debenture Stock Consolidated.	100 0 0	3 0 0
	104,500	4½% Debenture Stock "B" ..	104,500	3% Debenture Stock Consolidated.	100 0 0	4 10 0
			44,935	3½% Preference Stock ..	43 0 0	
	165,000	4% Debenture Stock "C" ..	165,000	3% Debenture Stock Consolidated.	100 0 0	4 0 0
			36,300	3½% Preference Stock ..	22 0 0	
	75,000	5% 1st Preference Stock ..	75,000	3½% Preference Stock ..	100 0 0	4 0 0
	118,069	5% 2nd Preference Stock ..	20,124	Cash	15 (cash)	Nil.
	80,460	Ordinary Stock			3 (cash)	Nil.

North Cornwall Railway Company.	801,000	3% Leased Line Stock.. ..	825,000	3% Debenture Stock Consolidated.	100 0 0	3 0 0
	24,000	Deferred Scrip convertible into Leased Line Stock on 1st January, 1923.				4 0 0
Plymouth and Dartmoor Railway Company.	20,670	4% Debenture Stock	27,560	3% Debenture Stock Consolidated.	133 6 8	4 0 0
	66,000	5% Cattewater Extension Shares	19,800	Undivided Ordinary Stock ..	30 0 0	4 0 0
	75,000	5% Preference Shares	7,500	Undivided Ordinary Stock ..	10 0 0	0 10 0
	35,000	Ordinary Shares	To be cancelled.		—	Nil.
Plymouth Devonport and South Western Junction Railway Company.	221,000	4% Debenture Stock	294,667	3% Debenture Stock Consolidated.	133 6 8	4 0 0
	187,000	3% Guaranteed Stock	Held by Comp	London and South Western any and to be cancelled.	—	3 0 0
	300,000	4½% Preference Stock	387,000	3½% Preference Stock ..	129 0 0	4 10 0
	360,000	Ordinary Stock	306,000	3½% Preference Stock ..	85 0 0	3 0 0
Sidmouth Railway Company.	22,000	5% Debenture Stock	36,667	3% Debenture Stock Consolidated.	166 13 4	5 0 0
	59,235	Ordinary Shares	59,235	4% Consolidated Guaranteed Stock.	100 0 0	4 0 0

L.B. and S.C. Preliminary Absorption Scheme.

(1) Stock and Shares of the Hayling Company.	(2) Stock of the Brighton Company to Holders of Amounts in Column 1.	(3) Amount of Stock in Column 2 to be issued in exchange for each £100 of Stock or Shares in Column 1, and so in proportion.
		£ s. d.
21,900 4½% Debenture Stock..	£23,275 4% Debenture Stock	106 5 7
16,000 5% Preferential Shares (in £10 Shares)	£20,000 4% Debenture Stock	125 0 0
£44,120 Ordinary Shares (in £10 Shares)	£6,725 4% Debenture Stock	15 4 10

L. and N.W. (Shropshire Union) Preliminary Absorption Scheme.

(1) Description of Stock of the Shropshire Union Company.	(2) Description and Amount of Stock of the North Western Company created and issued by virtue of this Scheme.	(3) Amount of North Western Stock in Column 2 to be issued in lieu of or in exchange for each £100 of Stock of Shropshire Union Company in Column 1, and so in proportion.
£ s. d.	£ s. d.	£
22,277 10 0 Ordinary	11,138 15 0 Consolidated	50

£330,154 10*s.* 0*d.* Ordinary Stock of the Shropshire Union Company to be cancelled.

Midland Railway Preliminary Absorption Scheme.

Name of Vested Company.	Description of Shares and Securities of Vested Company.	Amount Issued.	Stock of Midland Company to be issued to Holders of Amounts in Column 3.	Proportion of Stock in Column 4 to be issued in exchange for each Share of £10 in Column 3.
		£		£
Yorkshire Dales Railway Company	3½% Loan	15,000	Owing to Midland Company and to be cancelled	
	4% Loan	3,000		
	4½% Preference Shares of £10	10,300	£18,540 2½% Preferred Converted Ordinary Stock	18
	Ordinary Shares of £10	40,000	£64,000 2½% Preferred Converted Ordinary Stock	16
		5,000	Held by or on behalf of the Midland Company and to be cancelled	

(1) Name of Company.	(2) Description of Stock of the six Companies respectively.	(3) Amount issued.	(4) Description of Stock of the Company.	(5) Amount to be issued by virtue of this Scheme.	(6) Amount of Stock in Columns (4) and (5) to be issued in exchange for each £100 of Stock in Columns (2) and (3) and so in proportion.
		£		£	£
North Eastern Company.	3% Debenture	27,792,882	3% Debenture	27,792,882	100 3% Debenture.
	4% Great North of England Purchase	29,208	4% 1st Guaranteed	29,208	100 4% 1st Guaranteed.
	4% Guaranteed	8,466,903	4% 1st Guaranteed	8,466,903	100 4% 1st Guaranteed.
	4½% Redeemable Preference	1,000,000	4% 1st Guaranteed	1,250,000	125 4% 1st Guaranteed.
	4% Preference	18,211,502	4% 2nd Guaranteed	9,105,751	50 4% 2nd Guaranteed.
			4% 1st Preference	9,105,751	50 4% 1st Preference.
	Consols	34,152,966	4% 2nd Preference	34,152,966	100 4% 2nd Preference.
			5% Preferred Ordinary	17,076,483	50 5% Preferred Ordinary.
			Deferred Ordinary	13,661,186	40 Deferred Ordinary.
Great Central Company.	4% Debenture	79,577	4% Debenture	79,577	100 4% Debenture.
	4½% Debenture	11,367,341	4% Debenture	12,788,260	112½ 4% Debenture.
	5% Debenture	300,000	4% Debenture	375,000	125 4% Debenture.
	3½% 2nd Debenture	11,383,060	3% Debenture	6,640,118	58⅜ 3% Debenture.
	3½% 2nd Debenture	11,383,060	4% 1st Guaranteed	4,980,089	43¾ 4% 1st Guaranteed.
	3½% 2nd Debenture Redeemable	742,730	4% 1st Guaranteed	928,413	125 4% 1st Guaranteed.
	4½% 1st Preference	1,066,083	4% 2nd Guaranteed	1,199,344	112½ 4% 2nd Guaranteed.
	3¼% Preference	366,698	4% 2nd Guaranteed	297,942	81¼ 4% 2nd Guaranteed.
	6% Preference	872,000	4% 2nd Guaranteed	1,308,000	150 4% 2nd Guaranteed.
	5% Guaranteed	628,300	4% 2nd Guaranteed	785,375	125 4% 2nd Guaranteed.
	4% Guaranteed South Yorkshire Rentcharge.	448,980	4% 2nd Guaranteed	448,980	100 4% 2nd Guaranteed.
	5% Perpetual Preference	1,008,000	4% 1st Preference	1,260,000	125 4% 1st Preference.
	5% Irredeemable South Yorkshire Rentcharge.	490,000	4% 1st Preference	612,500	125 4% 1st Preference.
	4½% South Yorkshire Perpetual Rentcharge.	1,797,428	4% 1st Preference	1,909,767	106¼ 4% 1st Preference.
	4% Preference	1,100,000	4% 1st Preference	1,100,000	100 4% 1st Preference.
	5% Convertible Preference 1872	1,000,000	4% 1st Preference	1,250,000	125 4% 1st Preference.
	5% Convertible Preference 1874	1,080,000	4% 2nd Preference	1,350,000	125 4% 2nd Preference.
	5% Convertible Preference 1876	1,500,000	4% 2nd Preference	1,875,000	125 4% 2nd Preference.
	5% Convertible Preference 1879	1,000,000	4% 2nd Preference	1,250,000	125 4% 2nd Preference.
	5% Convertible Preference 1881	1,380,000	4% 2nd Preference	1,725,000	125 4% 2nd Preference.
	4% Preference 1889	1,500,000	4% 2nd Preference	1,500,000	100 4% 2nd Preference.

N.E., E., AND E. SCOTTISH GROUP AMALGAMATION SCHEME—*continued.*

(1) Name of Company.	(2) Description of Stock of the six Companies respectively.	(3) Amount issued.	(4) Description of Stock of the Company.	(5) Amount to be issued by virtue of this Scheme.	(6) Amount of Stock in Columns (4) and (5) to be issued in exchange for each £100 of Stock in Columns (2) and (3) and so in proportion.
		£		£	£
Great Central Company—*contd.*	4% Preference 1891	2,230,000	4% 2nd Preference	1,115,000	50 4% 2nd Preference.
			5% Preferred Ordinary	892,000	40 5% Preferred Ordinary.
	5% Preference 1894	3,100,000	5% Preferred Ordinary	3,100,000	100 5% Preferred Ordinary.
	Preferred Ordinary	5,318,490	5% Preferred Ordinary	1,063,698	20 5% Preferred Ordinary.
			Deferred Ordinary	1,861,471	35 Deferred Ordinary.
	Deferred Ordinary	5,339,530	Deferred Ordinary	1,601,859	30 Deferred Ordinary.
Great Eastern Company.	4% Debenture	18,784,324	4% Debenture	18,784,324	100 4% Debenture.
	4% Debenture East Anglian	31,594	4% Debenture	31,594	100 4% Debenture.
	4½% Debenture	6,000	4% Debenture	6,375	106¼ 4% Debenture.
	4½% Debenture	1,100	4% Debenture	1,237	112½ 4% Debenture.
	5% Irredeemable Debenture A	33,915	4% Debenture	42,394	125 4% Debenture.
	5% Redeemable Debenture B	27,696	4% 1st Guaranteed	34,620	125 4% 1st Guaranteed.
	5% Metropolitan	650,000	4% 1st Guaranteed	812,500	125 4% 1st Guaranteed.
	4% Rentcharge	478,031	4% 1st Guaranteed	478,031	100 4% 1st Guaranteed
	4% Consolidated Irredeemable Guaranteed.	4,966,596	4% 2nd Guaranteed	4,966,596	100 4% 2nd Guaranteed.
	4% Consolidated Preference	11,866,708	4% 1st Preference	11,866,708	100 4% 1st Preference.
	3½% Preference 1890	1,365,000	4% 2nd Preferecne	1,194,375	87½ 4% 2nd Preference.
	3½% Preference 1893	1,500,000	4% 2nd Preference	1,312,500	87½ 4% 2nd Preference.
	Ordinary	15,362,886	5% Preferred Ordinary	5,377,010	35 5% Preferred Ordinary.
			Deferred Ordinary	6,913,299	45 Deferred Ordinary.
Great Northern Company.	3% Debenture	15,802,467	3% Debenture	15,802,467	100 3% Debenture.
	6% Leeds, Bradford and Halifax	575,000	4% 1st Guaranteed	862,500	150 4% 1st Guaranteed.
	4% Perpetual Guaranteed	3,435,740	4% 1st Guaranteed	3,435,740	100 4% 1st Guaranteed.
	4% Consolidated Perpetual Preference	12,819,520	4% 2nd Guaranteed	6,409,760	50 4% 2nd Guaranteed.
			4% 1st Preference	6,409,760	50 4% 1st Preference.
	3% Preference 1896	2,440,000	4% 1st Preference	1,830,000	75 4% 1st Preference.
	3% Preference 1898	2,500,000	4% 1st Preference	1,875,000	75 4% 1st Preference.
	3% Preference 1899	1,500,000	4% 1st Preference	1,125,000	75 4% 1st Preference.
	3% Preference 1901	500,000	4% 1st Preference	375,000	75 4% 1st Preference.
	6% Consolidated B	736,641	4% 2nd Preference	810,305	110 4% 2nd Preference.
			5% Preferred Ordinary	235,725	32 5% Preferred Ordinary.
	4% Preferred Converted Ordinary	12,292,337	4% 2nd Preference	8,194,891	66⅔ 4% 2nd Preference.
			5% Preferred Ordinary	3,277,956	26⅔ 5% Preferred Ordinary.

Great Northern Company—*cont.*	Consolidated A	736,641	5% Preferred Ordinary	257,824	35	5% Preferred Ordinary.
			Deferred Ordinary	478,817	65	Deferred Ordinary.
	Deferred Converted Ordinary	8,194,889	5% Preferred Ordinary	2,868,211	35	5% Preferred Ordinary.
			Deferred Ordinary	5,326,678	65	Deferred Ordinary.
North British Company.	3% Debenture	16,117,326	3% Debenture	16,117,326	100	3% Debenture.
	3% Consolidated Lien	7,623,775	4% 1st Guaranteed	5,717,831	75	4% 1st Guaranteed.
	4% Consolidated Preference No. 1	2,444,129	4% 2nd Guaranteed	2,444,129	100	4% 2nd Guaranteed.
	4% Consolidated Preference No. 2	3,850,197	4% 1st Preference	3,850,197	100	4% 1st Preference.
	6% Monkland Preference (Ordinary)	563,379	4% 1st Preference	845,069	150	4% 1st Preference
	4½% Edinburgh and Glasgow Preference	2,422,485	4% 1st Preference	2,725,296	112½	4% 1st Preference.
	5% Preference 1865	387,370	4% 1st Preference	484,213	125	4% 1st Preference.
	1% Northumberland Central Preference No. 2.	160	4% 1st Preference	40	25	4% 1st Preference.
	5% Convertible Preference 1874	418,505	4% 1st Preference	523,131	125	4% 1st Preference.
	4½% Preference 1875	2,290,889	4% 2nd Preference	2,577,250	112½	4% 2nd Preference.
	4½% Convertible Preference 1875	604,888	4% 2nd Preference	680,499	112½	4% 2nd Preference.
	5% Convertible Preference 1879	605,728	4% 2nd Preference	757,160	125	4% 2nd Preference.
	4% Convertible Preference 1884	524,592	4% 2nd Preference	524,592	100	4% 2nd Preference.
	4% Convertible Preference 1888	218,603	4% 2nd Preference	218,603	100	4% 2nd Preference.
	4% Convertible Preference 1890	820,852	4% 2nd Preference	820,852	100	4% 2nd Preference.
	4½% Preference 1891	12,000	4% 2nd Preference	13,500	112½	4% 2nd Preference.
	4% Convertible Preference 1892	1,091,183	4% 2nd Preference	1,091,183	100	4% 2nd Preference.
	4% Convertible Preference 1897	1,273,724	4% 2nd Preference	1,273,724	100	4% 2nd Preference.
	4% Convertible Preference 1901	261,918	4% 2nd Preference	261,918	100	4% 2nd Preference.
	4% Convertible Preference 1904	711,475	4% 2nd Preference	711,475	100	4% 2nd Preference.
	4% Preference 1908	1,450,000	4% 2nd Preference	1,450,000	100	4% 2nd Preference.
	3% Preferred Ordinary	9,578,401	5% Preferred Ordinary	5,747,040	60	5% Preferred Ordinary.
			5% Preferred Ordinary	1,200,089	10	5% Preferred Ordinary.
	Deferred Ordinary	12,000,886	Deferred Ordinary	4,800,354	40	Deferred Ordinary.
Great North of Scotland Company.	4% Debenture	1,508,868	4% Debenture	1,508,868	100	4% Debenture.
	6% Debenture Redeemable	11,450	4% 1st Guaranteed	14,313	125	4% 1st Guaranteed.
	4% Lien	1,230,252	4% 1st Guaranteed	1,230,252	100	4% 1st Guaranteed.
	4% Guaranteed	363,862	4% 2nd Guaranteed	363,862	100	4% 2nd Guaranteed.
	4% A Preference	593,556	4% 1st Preference	593,556	100	4% 1st Preference.
	4% B Preference	405,000	4% 1st Preference	405,000	100	4% 1st Preference.
	4% C Preference	247,738	4% 2nd Preference	247,738	100	4% 2nd Preference.
	4% Preference 1891	200,000	4% 2nd Preference	200,000	100	4% 2nd Preference.
	4% Preference 1894	375,000	4% 2nd Preference	375,000	100	4% 2nd Preference.
	3% Preferred Converted Ordinary	1,295,132	5% Preferred Ordinary	777,080	60	5% Preferred Ordinary.
	Deferred Converted Ordinary	1,397,954	Deferred Ordinary	838,772	60	Deferred Ordinary.
	Deferred Ordinary No. 2	397,396	Deferred Ordinary	31,792	8	Deferred Ordinary.

N.W., Midland and W. Scottish Preliminary Amalgamation Scheme.

(1) Name of Company.	(2) Description of Stocks of the Vested Companies.	(3) Amount issued.	(4) Description of Stocks of the Company.	(5) Amount to be issued.	(6) Amount of Stock in Columns (4) and (5) to be issued in exchange for each £100 of Stock in Columns (2) and (3) and so in proportion.
		£		£	£ s. d.
London and North Western Railway Company.	3% Debenture Stock	60,681,888	4% Debenture Stock	45,511,416	75 0 0
	Consolidated 4% Guaranteed Stock ..	18,272,004	4% Guaranteed Stock	18,272,004	100 0 0
	Consolidated 4% Preference Stock ..	43,006,295	4% Preference Stock	43,006,295	100 0 0
	4% Preference Stock (1902)	10,105,621	4% Preference Stock	10,105,621	100 0 0
	4½% Redeemable Preference Stock (to be redeemed at par on 30th June, 1925).	1,500,000	4½% Redeemable Preference Stock (to be redeeemd at par on 30th June, 1925).	1,500,000	100 0 0
	5% Redeemable Preference Stock (1916) (to be redeemed at par on 30th June, 1926).	700,000	5% Redeemable Preference Stock (to be redeemed at par on 30th June, 1926).	700,000	100 0 0
Midland Railway Company.	Consolidated Stock	57,239,722	Ordinary Stock	57,239,722	100 0 0
	2½% Debenture Stock	43,772,265	4% Debenture Stock	27,357,666	62 10 0
	2½% Consolidated Perpetual Guaranteed Preferential Stock.	18,089,561	4% Guaranteed Stock	11,305,976	62 10 0
	2½% Consolidated Perpetual Preference Stock.	63,991,607	4% Preference Stock	39,994,755	62 10 0
	2½% Preferred Converted Ordinary Stock.	39,325,860	4% Preference Stock (1923) ..	24,578,663	62 10 0
	Deferred Converted Ordinary Stock	38,961,420	Ordinary Stock	26,493,766	68 0 0
Furness Railway Company.	3% Debenture Stock	2,396,123	4% Debenture Stock	1,797,093	75 0 0
	4% Consolidated Guaranteed Stock	779,125	4% Guaranteed Stock	779,125	100 0 0
	4% Consolidated Preference Stock ..	1,300,750	4% Preference Stock	1,300,750	100 0 0
	4% Preference Stock "A"	350,000	4% Preference Stock (1923) ..	350,000	100 0 0
	4% Preference Stock "B"	200,000	4% Preference Stock (1923) ..	200,000	100 0 0
	4% Preference Stock (1894)	100,000	4% Preference Stock (1923) ..	100,000	100 0 0
	4% Preference Stock (1899)	300,000	4% Preference Stock (1923) ..	300,000	100 0 0
	Consolidated Ordinary Stock ..	2,642,000	Ordinary Stock	792,600	30 0 0

Glasgow and South Western Railway Company.	4% Debenture Stock	4,842,640	4% Debenture Stock	4,842,640	100 0 0
	St. Enoch Station Rent Charge Stock 4%.	1,325,000	4% Debenture Stock	1,325,000	100 0 0
	4% Guaranteed Stock	935,450	4% Guaranteed Stock	935,450	100 0 0
	4% Preference Stock	1,892,150	4% Preference Stock	1,892,150	100 0 0
	4% Preference Stock No. 2	1,555,941	4% Preference Stock	1,555,941	100 0 0
	4% Preference Stock (1888)	285,000	4% Preference Stock	285,000	100 0 0
	4% Preference Stock (1891)	543,000	4% Preference Stock	543,000	100 0 0
	4% Preference Stock (1894)	405,000	4% Preference Stock	405,000	100 0 0
	3% Preference Stock	810,000	4% Preference Stock	607,500	75 0 0
	2½% Preferred Ordinary Stock ..	6,109,000	4% Preference Stock (1923) ..	3,815,125	62 10 0
	Deferred Ordinary Stock	6,109,000	Ordinary Stock	2,077,060	34 0 0
	Deferred Stock	442,250	Ordinary Stock	13,268	3 0 0
Highland Railway Company.	4% Debenture Stock	1,577,846	4% Debenture Stock	1,577,846	100 0 0
	4¼% Debenture Stock	390,033	4% Debenture Stock	414,411	106 5 0
	3½% Second Debenture Stock ..	250,000	4% Debenture Stock	218,750	87 10 0
	6% Dunkeld Lien Preference Stock..	76,000	4% Guaranteed Stock	114,000	150 0 0
	5% Nairn Preference Stock	45,000	4% Preference Stock	56,250	125 0 0
	6% Nairn Preference Stock	59,080	4% Preference Stock	88,620	150 0 0
	4½% "A" Preference Stock.. ..	513,650	4% Preference Stock	577,857	112 10 0
	5% "B" Preference Stock	400,000	4% Preference Stock	500,000	125 0 0
	4% Preference Stock	515,000	4% Preference Stock	515,000	100 0 0
	3½% Preference Stock (1897) ..	300,000	4% Preference Stock (1923) ..	262,500	87 10 0
	3½% Preference Stock (1898) ..	180,130	4% Preference Stock (1923) ..	157,614	87 10 0
	Ordinary Consolidated Capital Stock	2,564,383	Ordinary Stock	829,151	32 6 8
	Total .. ..£	435,839,794	Total .. .. ..£	335,297,585	

G.W.R. Preliminary Absorption Scheme No. 3.

(1) Name of Vested Company.	(2) Description of Stocks, Shares and Securities.	(3) Amount issued or owing.	(4) Cash to be paid or Stock of Great Western Company to be issued to holders of amounts in Column 3.	(5) Amount of Cash or Stock in Column 4 to be issued in exchange for each £100 of Stock or fully paid Shares or Securities in Column 3, and so in proportion.	(6) Rate per cent. of interest or dividend to be paid for the periods stated and ending 31st December, 1922.
		£ s. d.		£ s. d.	£ s. d.
Gwendraeth Valleys Company.	Mortgages	33,300 0 0	£17,000 Cash	—	—
	Ordinary Shares (£10 each) ..	100,000 0 0			
Liskeard Company.	3½% Debenture Loans	24,000 0 0	£21,000 4% Debenture Stock ..	87 10 0	1 15 0 (6 months).
	5% New Preference Stock.. ..	43,851 0 0	£15,000 Cash	34 4 1	—
	Ordinary Shares (£25 each) ..	26,000 0 0	To be cancelled	—	—
Llanelly Company.	5% Perpetual "A" Debenture Stock.	20,000 0 0	£20,000 5% Debenture Stock ..	100 0 0	2 10 0 (6 months).
	5% "B" Debenture Stock ..	25,000 0 0	£25,000 5% Debenture Stock .. and £17,562 10s. Cash in respect of arrears of interest.	100 0 0 70 5 0	2 10 0 (6 months). —
	Ordinary Shares (£10 each) ..	59,300 0 0	£47,440 Consolidated Ordinary Stock.	80 0 0	6 0 0 (12 months).
	Debt due to Mary Waddell, of the firm of Messrs. John Waddell & Sons.	25,918 0 0	£25,918 5% Consolidated Preference Stock.	—	—
Mawddwy Company.	3% Redeemable Debenture Stock	6,300 0 0	£6,300 Cash	100 0 0	0 15 0 (3 months).
	Ordinary Shares (£1 each) ..	4,057 0 0	£4,294 1s. 2d. Cash	105 16 8	4 0 0 (12 months).
Penarth Extension Company.	For :—				
	4% Debenture Stock .. and	5,000 0 0	£17,000 Cash	—	
	Ordinary Shares (£100 each)	15,000 0 0			

		£ s. d.		£ s. d.	£ s. d.
South Wales Mineral Company.	3% "A" Debenture Stock ..	5,353 0 0	£4,014 15s. 4% Debenture Stock	75 0 0	1 10 0 (6 months).
	3% "B" Debenture Stock ..	83,700 0 0	£62,775 4% Debenture Stock ..	75 0 0	1 10 0 (6 months).
	Consolidated 3% Preference Stock	105,370 0 0	£26,342 10s. Cash	25 0 0	Nil.
	Ordinary Stock	55,610 0 0	£5,561 Cash	10 0 0	Nil.
Teign Valley Company.	"A" 4% Debenture Stock ..	24,000 0 0	£24,000 4% Debenture Stock ..	100 0 0	2 0 0 (6 months).
	1884 4% Debenture Stock.. ..	6,000 0 0	£6,000 4% Debenture Stock ..	00 0 0	0 13 4 (2 months).
			£12,000 5% Consolidated Preference Stock	80 0 0	2 0 0 (6 months).
	"B" 4% Debenture Stock ..	15,000 0 0	and £7,500 Cash in respect of arrears of interest.	50 0 0	—
	"C" 4% Debenture Stock ..	19,250 0 0	£15,400 5% Consolidated Preference Stock.	80 0 0	Nil.
	No. 1 5% Preference Shares (£5 each).	40,000 0 0	£5,600 Cash	14 0 0	Nil.
	No. 2 5% Preference Shares (£5 each)	22,000 0 0	£1,980 Cash	9 0 0	Nil.
	No. 3 5% Preference Shares (£5 each)	10,000 0 0	£600 Cash	6 0 0	Nil.
	Ordinary Shares (20 each) ..	15,140 0 0	£794 17s. Cash	5 5 0	Nil.
Van Company	6% Debenture Stock	3,000 0 0	£816 12s. 6d. Cash..	27 4 5	—
	Ordinary Shares (25s. each) ..	20,000 0 0	To be cancelled	—	—
Welshpool Company	3½% Mortgages	5,700 0 0	£4,617 Cash	81 0 0	—
	3½% Mortgages	5,694 8 7	£4,555 10s. 10d. Cash	80 0 0	—
	3⅝% Mortgages	5,734 17 4	£4,587 17s. 11d. Cash	80 0 0	—
	3¾% Mortgages	3,194 2 10	£2,555 6s. 3d. Cash	80 0 0	—
	4½% Debenture Stock	3,000 0 0	£2,700 Cash	90 0 0	1 2 6 (3 months.)
	Ordinary Shares (£1 each).. ..	15,065 5 0	£3,704 3s. 3d. Cash	24 11 8	Nil.

S.E.R. Preliminary Absorption Scheme.

(1) Nature of Vested Company.	(2) Stock of Vested Company.		(3) Stock of Southern Company to be issued in exchange.		(4) Amount of Stock stated in Column 3 to be issued in exchange for each £100 of Stock, stated in Column 2, and so in proportion.
	Amount.	Description.	Amount.	Description.	
	£		£		£ s. d.
The Greenwich Company.	59,000	4% Loans	59,000	4% Debenture Stock	100 0 0
	34,600	3½% Debenture Stock	30,275	4% Debenture Stock	87 10 0
	131,260	4% Debenture Stock	131,260	4% Debenture Stock	100 0 0
	222,720	5% Preference Stock	278,400	4% Debenture Stock	125 0 0
	861,540	Ordinary Stock	613,416	4% Debenture Stock	71 4 0
	1,309,120		1,112,351		
The Victoria Company	132,322	4½% Debenture Stock	149,689	4% Debenture Stock	113 2 6
	130,000	4½% Preference Stock	146,900	4% Debenture Stock	113 0 0
	225,000	Ordinary Stock	519,187	4% Debenture Stock	230 15 0
	487,322		815,776		
The Mid-Kent Company.	23,000	4½% Terminable Loans	—	To be cancelled.	
	61,550	4% Capital Stock	62,781	4% Debenture Stock	102 0 0
	84,550		62,781		

G.W.R. Absorption Scheme No. 4.

(1) Description of Stock, Shares and Securities of Didcot Company.	(2) Amount issued.	(3) Cash to be Paid, or Stock of Great Western Company to be issued to Holders of Amounts in Column 2.	(4) Amount to be issued in exchange for each £100.
	£		£
5% Debenture Stock ..	166,000	£166,000 5% Debenture Stock	100
4% Debentures	107,961	£107,961 4% Debenture Stock	100
5% Debentures	30,630	£30,630 4% Debenture Stock	100
3% Debenture Stock ..	59,188	£29,594 5% Consolidated Preference Stock	50
5% Consolidated Preference Shares (£10 each)	638,240	£95,736 cash..	15
Consolidated Ordinary Shares (£10 each)	206,830	£10,341 10*s.* 0*d.* Cash ..	5
	100,000	Held on behalf of Didcot Company and to be cancelled	

G.W.R. (Exeter Rly.) Absorption Scheme.

(1)	(2)	(3)	(4)
	£		
4% First Debenture Stock..	44,632	£44,632 4% Debenture Stock.	£100.
5% "A" Debenture Stock..	132,984	£39,895 4*s.* 5% Consolidated Preference Stock.	£30.
		£21,161 Consolidated Ordinary Stock.	£14 18*s.* 3*d.*
Ordinary Shares (£10 each)	196,560	£9,828 Cash	£5.

L. & N.E. (Newburgh and North Fife) Absorption Scheme.

(1) Stock of Newburgh Company.		(2) Stock of the Company created and issued by this Scheme.		(3) Amount of Stock to be issued in exchange for each £100.
	£		£	£ *s.* *d.*
4% Debenture Stock ..	60,000	4% First Guaranteed Stock.	60,000	100 0 0
Preference Shares ..	60,000	Preferred Ordinary Stock	50,000	83 6 8
Ordinary Shares ..	120,000	Preferred Ordinary Stock	20,000	16 13 4
		Deferred Ordinary Stock	44,000	36 13 4

L.M. and S. Preliminary Absorption Scheme, 1923.

First Part.

(1) Name of Absorbed Company.	(2) Description and amount of Stock of the Absorbed Companies.	(3) Description and amount of Stock of the Company created and issued by virtue of this Scheme.	(4) Amount of the Stock in Column 3 to be issued in exchange or Cash paid for each £100 of Stock in Column 2 and so in proportion. £ s. d.
Arbroath and Forfar Railway Company.	£70,000 Original Stock (£25 Shares) ..	£102,200 4% Debenture	146 0 0
	£40,000 5% New or Guaranteed (£12 10s. Shares).	£58,400 4% Debenture..	146 0 0
	£10,000 New Unguaranteed Stock (£12 10s. Shares).	£14,600 4% Debenture..	146 0 0
	£40,000 Additional Stock (£12 10s. Shares)	£58,400 4% Debenture..	146 0 0
	£40,000 Liquidation Stock (£6 5s. Shares)	£58,400 4% Debenture..	146 0 0
	£29,950 New Additional Stock (£5 Shares)	£43,727 4% Debenture..	146 0 0
Brechin and Edzell District Railway Company.	£37,500 Ordinary Shares	£2,250 Ordinary	6 0 0
Callander and Oban Railway Company.	£286,260 4s. 8d. 4% Debenture	£286,260 4s. 8d. 4% Debenture	100 0 0
	£15,000 4½% £10 Preference Shares 1878	£16,875 4% Preference 1923	112 10 0
	£6,200 4½% £10 Preference Shares 1882..	£6,975 4% Preference 1923	112 10 0
	£37,770 4% £10 Preference Shares 1896 ..	£37,770 4% Preference 1923	100 0 0
	£5,250 4% £10 Preference Shares 1897 ..	£2,992 Ordinary	57 0 0
	£94,930 £10 Ordinary Shares	£11,866 Ordinary	12 10 0
Cathcart District Railway Company.	£58,330 4% Debenture 1880	£58,330 4% Debenture..	100 0 0
	£63,000 4% Debenture 1890	£63,000 4% Debenture..	100 0 0
	£36,000 4% Debenture 1887	£36,000 4% Debenture..	100 0 0
	£67,000 £10 Ordinary Shares	£34,170 Ordinary	51 0 0
Cleator and Workington Junction Railway Company.	£138,400 3½% Debenture	£121,100 4% Debenture	87 10 0
	£82,490 4½% Preference	£92,801 4% Preference 1923	112 10 0
	£40,200 4% Preference 1882	£40,200 4% Preference 1923	100 0 0
	£127,500 4% Preference 1883	£127,500 4% Preference 1923	100 0 0
	£216,010 Ordinary	£140,406 Ordinary	65 0 0
Cockermouth Keswick and Penrith Railway Company.	£90,132 4% Debenture	£90,132 4% Debenture..	100 0 0
	£25,000 5% Consolidated Preference ..	£31,250 4% Preference 1923	125 0 0
	£256,324 Ordinary	£82,024 Ordinary	32 0 0

			£	s.	d.	
Dornoch Light Railway Company	£1,752 4% Debenture Stock	Nil	75	0	0	Cash
	£13,072 Ordinary Stock	Nil	15	0	0	Cash
Dundee and Newtyle Railway Company	£111,650 Ordinary Shares (£50)	£35,000 4% Debenture	31	7	0	
Lanarkshire and Ayrshire Railway Company	£75,000 4% "A" Debenture Stock, 1886	£75,000 4% Debenture	100	0	0	
	£100,000 4% "B" Debenture Stock, 1888 ..	£100,000 4% Debenture	100	0	0	
	£50,000 4% "C" Debenture Stock, 1892	£50,000 4% Debenture	100	0	0	
	£90,850 £10 Ordinary Shares	£37,703 Ordinary	41	10	0	
Maryport and Carlisle Railway Company	£107,695 4% Debenture	£107,695 4% Debenture	100	0	0	
	£775,800 Ordinary	£387,900 4% Preference, 1923	50	0	0	
		£465,480 Ordinary	60	0	0	
	£2,000 4% Minimum	£1,000 4% Preference, 1923	50	0	0	
		£1,200 Ordinary	60	0	0	
Mold and Denbigh Junction Railway Company	£42,900 5% Debenture "A"	£53,625 4% Debenture	125	0	0	
	£137,000 5% Debenture "B"	£154,125 4% Debenture	112	10	0	
	£70,000 5% Debenture "C"	£30,625 4% Preference, 1923	43	15	0	
	£100,000 5% Preference	£12,500 4% Preference, 1923	12	10	0	
	£73,000 Ordinary	£4,563 4% Preference, 1923	6	5	0	
	£76,000 Preferred Half Stock	£4,750 4% Preference, 1923	6	5	0	
	£76,000 Deferred Half Stock	£4,750 4% Preference, 1923	6	5	0	
North and South Western Junction Railway Company	128,600 Ordinary	£229,068 15s. 4% Debenture	178	2	6	
Portpatrick and Wigtownshire Joint Committee	£491,980 3½% Guaranteed	£430,482 10s. 4% Guaranteed	87	10	0	
Solway Junction Railway Company	£148,872 Solway Railway (Caledonian Guaranteed) 3% Annuities Stock	£111,654 4% Guaranteed	75	0	0	
Stratford-upon-Avon and Midland Junction Railway Company	£586,177 Ordinary	Nil	39	5	0	Cash
Tottenham and Forest Gate Railway Company	£188,000 4% Debenture Stock	£188,000 4% Debenture	100	0	0	
	£150,000 3% Guaranteed Preference Stock	£112,500 4% Guaranteed	75	0	0	
Wick and Lybster Light Railway Company	£42,515 Ordinary Stock	Nil	12	10	0	Cash

Second Part.

Stock Cancelled.

£190,000 4½ per cent. Preference Stock 1878 £93,800 4½ per cent. Preference Stock 1882 £150,000 4 per cent. Preference Stock 1896 £42,000 4 per cent. Preference Stock 1897 £332,600 Ordinary Stock .. .. .. £225,000 Preferred Ordinary Stock .. .. £225,000 Deferred Ordinary Stock	In the capital of the Callander and Oban Railway Company. In the capital of the Tottenham and Forest Gate Railway Company.
£51,155 Ordinary Stock £217,000 Ordinary Shares £444,500 Ordinary Shares	In the capital of the Cockermouth, Keswick and Penrith Railway Company. In the capital of the Cathcart District Railway Company. In the capital of the Lanarkshire and Ayrshire Railway Company.

N.W. MIDLAND AND W. SCOTTISH GROUP AMALGAMATION, 1923.

(1) Name of Company.	(2) Description of Stocks of the Vested Companies.	(3) Amount issued.	(4) Description of Stocks of the Company.	(5) Amount to be issued.	(6) Amount of Stock in Columns (4) and (5) to be issued in exchange for each £100 of Stock in Columns (2) and (3) and so in proportion.
		£		£	£ s. d.
London Midland and Scottish Company.	4% Debenture Stock	85,027,884	4% Debenture Stock	85,027,884	100 0 0
	4% Guaranteed Stock	32,061,191	4% Guaranteed Stock	32,061,191	100 0 0
	4% Preference Stock	101,433,739	4% Preference Stock	101,433,739	100 0 0
	4½% Redeemable Preference Stock (to be redeemed at par on the 30th June, 1925).	1,500,000	4½% Redeemable Preference Stock (to be redeemed at par on the 30th June, 1925).	1,500,000	100 0 0
	5% Redeemable Preference Stock (to be redeemed at par on the 30th June, 1926).	700,000	5% Redeemable Preference Stock (to be redeemed at par on the 30th June, 1926).	700,000	100 0 0
	4% Preference Stock (1923)	30,566,361	4% Preference Stock (1923) ..	30,566,361	100 0 0
	Ordinary Stock	88,223,658	Ordinary Stock	88,223,658	100 0 0
Caledonian Company.	4% Guaranteed Annuities Stock ..	2,131,104	4% Debenture Stock	2,131,104	100 0 0
	4% Debenture Stock	11,664,420	4% Debenture Stock	11,664,420	100 0 0
	5% Debenture Stock	510,615	4% Debenture Stock	638,269	125 0 0
	4% Consolidated Guaranteed Stock	3,667,164	4% Guaranteed Stock	3,667,164	100 0 0
	4% Guaranteed Annuities Stock No. 2.	2,751,386	4% Guaranteed Stock	2,751,386	100 0 0
	4% (Lanarkshire and Dumbartonshire Railway) Guaranteed Stock.	718,500	4% Guaranteed Stock	718,500	100 0 0
	4% Consolidated Preference Stock No. 1.	3,579,935	4% Preference Stock	3,579,935	100 0 0
	4% Consolidated Preference Stock No. 2.	2,946,341	4% Preference Stock	2,946,341	100 0 0
	5% Consolidated Preference Stock ..	1,639,890	4% Preference Stock	2,049,863	125 0 0
	4% Preference Stock (1884)	952,995	4% Preference Stock	952,995	100 0 0
	4% Preference Stock (1887)	1,033,633	4% Preference Stock	1,033,633	100 0 0
	4% Preference Stock (1902)	1,618,500	4% Preference Stock	1,618,500	100 0 0
	4% Convertible Preference Stock (1904)	1,328,086	4% Preference Stock	1,328,086	100 0 0
	4% Convertible Preference Stock (1906).	1,427,057	4% Preference Stock	1,427,057	100 0 0

N.W. MIDLAND AND SCOTTISH GROUP AMALGAMATION SCHEME.—*continued.*

(1) Name of Company.	(2) Description of Stocks of the Vested Companies.	(3) Amount issued.	(4) Description of Stocks of the Company.	(5) Amount to be issued.	(6) Amount of Stock in Columns (4) and (5) to be issued in exchange for each £100 of Stock in Columns (2) and (3) and so in proportion.
		£		£	£ s. d.
Caledonian Company—*continued.*	Ordinary Stock	3,364,284	4% Preference Stock (1923) ..	1,682,142	50 0 0
			Ordinary Stock	785,000	23 6 8
	Preferred Converted Ordinary Stock	15,101,750	4% Preference Stock (1923) ..	7,550,875	50 0 0
			Ordinary Stock	2,013,567	13 6 8
	Deferred Converted Ordinary Stock	15,101,750	Ordinary Stock	1,510,175	10 0 0
	Deferred Ordinary Stock No. 1 .. (entitled to participate *pari passu* in all Caledonian Ordinary Dividends above 7%).	2,508,026	To be cancelled.	—	—
	Deferred Ordinary Stock No. 2 .. (entitled to participate *pari passu* in all Caledonian Ordinary Dividends above 9%).	276,666	To be cancelled.	—	—
North Staffordshire Company.	3% Debenture Stock	2,845,990	4% Debenture Stock	2,134,493	75 0 0
	5% Guaranteed Canal Purchase ..	1,170,000	4% Guaranteed Stock	1,494,675	127 15 0
	Consolidated 3% Preference Stock ..	3,317,483	4% Preference Stock	2,188,113	75 0 0
	Ordinary Stock	3,594,650	Ordinary Stock	2,660,041	74 0 0

L. and N.E.R. Absorption Scheme No. 1.

First Schedule.

(1) Names of Vested Companies.	(2) Stock of Vested Companies (excluding holdings of the Company or their nominees).		(3) Stock of the Company created and issued by this Scheme.		(4) Cash to be provided by the Company.	(5) Amount of Stock in Column 3 to be issued in exchange or Cash to be paid for each £100 of Stock in Column 2 and so in proportion.
	Description.	Amount.	Description.	Amount.		
		£ s. d.		£ s. d.	£ s. d.	£ s. d.
The Colne Valley and Halstead Railway Company.	5% "A" Debenture Stock	61,345 0 0	4% 1st Preference Stock	76,681 5 0	—	125 0 0
	4% "B" Debenture Stock	367,365 0 0	Preferred Ordinary Stock	36,736 10 0	—	10 0 0
	Preference Shares ..	25,590 0 0	—	—	383 17 0	1 10 0
	Ordinary Shares	61,200 0 0	—	—	765 0 0	1 5 0
The East and West Yorkshire Union Railways Company.	3½% Debenture Stock ..	67,905 0 0	4% 1st Guaranteed Stock	63,660 18 9	—	93 15 0
	4½% Debenture Stock ..	23,500 0 0	4% 1st Guaranteed Stock	24,968 15 0	—	106 5 0
	5% Debenture Stock ..	1,745 0 0	4% 1st Guaranteed Stock	2,181 5 0	—	125 0 0
	4% Preference Stock ..	130,998 16 0	4% 2nd Preference Stock Preferred Ordinary Stock	65,499 8 0 52,399 10 5	— —	50 0 0 40 0 0
	Ordinary Shares and Stock	116,434 0 0	Preferred Ordinary Stock Deferred Ordinary Stock	29,108 10 0 87,325 10 0	— —	25 0 0 75 0 0
The East Lincolnshire Railway Company.	Consolidated Stock ..	599,000 0 0	4% Debenture Stock ..	898,500 0 0	—	150 0 0
The Edinburgh and Bathgate Railway Company.	Consolidated Stock ..	250,000 0 0	4% Debenture Stock ..	312,500 0 0	—	125 0 0
The Forcett Railway Company.	Ordinary Shares	34,200 0 0	—	—	34,200 0 0	100 0 0
The Gifford and Garvald Railway Company.	Ordinary Shares	100,000 0 0	4% 2nd Guaranteed Stock	90,000 0 0	—	90 0 0
The Great North of England Clarence and Hartlepool Junction Railway Company.	4½% Guaranteed Stock ..	16,918 2 4	4% Debenture Stock ..	19,032 17 8	—	112 10 0
	5% Preference Stock ..	13,725 0 0	4% Debenture Stock ..	17,156 5 0	—	125 0 0
	Ordinary Stock	41,875 0 0	4% 1st Guaranteed Stock	31,406 5 0	— 1,046 17 6	75 0 0 2 10 0

The Horncastle Railway Company.	*6% Debenture Bonds* ..	*15,400 0 0*	*Liability transferred to the Company under the operation of the Railways Clauses Act, 1863.*				
	Ordinary Shares	48,000 0 0	4% 2nd Preference Stock	38,400 0 0	—	80 0 0	
			Preferred Ordinary Stock	28,800 0 0	—	60 0 0	
			Deferred Ordinary Stock	24,960 0 0	—	52 0 0	
The Humber Commercial Railway and Dock Company.	*7% Debentures*	*719,000 0 0*	*Liability transferred to the Company under the operation of the Railways Clauses Act, 1863.*				
	Special Guaranteed Redeemable Shares.	300,000 0 0	4% 1st Guaranteed Stock	450,000 0 0	—	150 0 0	
	Ordinary Shares	2,000,000 0 0	4% 1st Guaranteed Stock	2,000,000 0 0	—	100 0 0	
The Kilsyth and Bonnybridge Railway Company.	4% Debenture Stock ..	43,300 0 0	4% 1st Guaranteed Stock	43,300 0 0	—	100 0 0	
	Ordinary Shares	131,980 0 0	Preferred Ordinary Stock	65,990 0 0	— 1,594 15 2	50 0 0 1 4 0	
The Lauder Light Railway Company.	*3½% Mortgage Loans* ..	*13,500 0 0*	*Liability transferred to the Company under the operation of the Railways Clauses Act, 1863.*				
	Ordinary Shares	24,800 0 0 7,290 0 0	Preferred Ordinary Stock	7,899 15 4 —	— 2,278 2 6	31 17 1 31 5 0	
The London and Blackwall Railway Company.	4½% Debenture Stock ..	814,000 0 0	4% Debenture Stock ..	864,875 0 0	—	106 5 0	
	4½% Preference Stock ..	250,055 0 0	4% Debenture Stock ..	281,311 17 6	—	112 10 0	
	Consolidated Stock ..	2,329,865 0 0	4% Debenture Stock ..	2,621,098 2 6	—	112 10 0	
The Mansfield Railway Company.	*5% Redeemable Debenture Stock.*	*120,000 0 0*	*Liability transferred to the Company under the operation of the Railways Clauses Act, 1863.*				
	5% Preference Shares ..	200,000 0 0	4% 2nd Preference Stock	250,000 0 0	—	125 0 0	
	Ordinary Shares	175,000 0 0	Preferred Ordinary Stock	196,875 0 0	—	112 10 0	
			Deferred Ordinary Stock	43,750 0 0	—	25 0 0	
The Nottingham and Grantham Railway and Canal Company.	Ordinary Stock	1,014,000 0 0	4% Debenture Stock ..	1,045,687 10 0	—	103 2 6	
The Nottingham Joint Station Committee.	Nottingham Joint Station Stock.	1,170,200 0 0	3% Debenture Stock ..	1,170,200 0 0	—	100 0 0	
The Nottingham Suburban Railway Company.	Ordinary Stock	249,500 0 0	4% 1st Guaranteed Stock.	218,312 10 0	—	87 10 0	
The Sheffield District Railway Company.	4% Permanent Debenture Stock.	94,326 0 0	4% Debenture Stock ..	158,966 0 0	—	100 0 0	
	4% Permanent 2nd Debenture Stock.	64,640 0 0					
	5% Preference Shares ..	100,000 0 0	4% 2nd Guaranteed Stock	125,000 0 0	—	125 0 0	
	Ordinary Shares	174,000 0 0	4% 2nd Guaranteed Stock	152,250 0 0	—	87 10 0	
The Stamford and Essendine Railway Company.	5% Debenture Stock ..	3,700 0 0	4% Debenture Stock ..	4,157 6 0	—	112 7 2	
	4% Debenture Stock ..	2,500 0 0	4% Debenture Stock ..	2,809 19 9	—	112 7 2	
	4% Preference Shares ..	15,000 0 0	4% Debenture Stock ..	15,000 0 0	—	100 0 0	
	5% Preference Shares ..	3,500 0 0	—	—	3,500 0 0	100 0 0	

S

L. & N.E.R. Absorption Scheme No. 1—*First Schedule—continued.*

(1)	(2)		(3)		(4)	(5)
		£ s. d.		£ s. d.	£ s. d.	£ s. d.
The Stamford and Essendine Railway Company—*contd.*	Stamford and Essendine Ordinary Stock.	46,500 0 0	4% Debenture Stock ..	45,778 18 5	—	98 9 0
	Sibson Extension Ordinary Stock.	75,000 0 0	4% Debenture Stock ..	15,822 4 2	—	21 1 11
The West Riding Railway Committee.	West Riding and Grimsby Railway (Wakefield Station) Shares.	57,500 0 0	4% 1st Guaranteed Stock	89,843 15 0	—	156 5 0
The Seaforth and Sefton Junction Railway Company.	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.

Second and Third Schedules—*See opposite page.*

S.R. (Freshwater Railway) Absorption Scheme.

Stock of Vested Company.		Stock of the Company created and issued by this Scheme.		Amount of Stock in column 2 to be issued in exchange for each £100 of Stock in column 1 and so in proportion.
Description.	Amount.	Description.	Amount.	
	£ s. d.		£ s. d.	£ s. d.
3½% A pre-Debenture Stock	20,000 0 0	4% Debenture Stock	17,500 0 0	87 10 0
5% Perpetual Debenture Stock	47,300 0 0	5% Preference Stock	37,840 0 0	80 0 0
5% B Debenture Stock	24,077 0 0	Preferred Ordinary Stock	9,630 0 0	40 0 0
5% Perpetual Preference Stock	42,000 0 0	Ordinary B Stock	21,000 0 0	50 0 0
6% Preferred Ordinary Stock	42,008 0 0	To be cancelled.		
Deferred Ordinary Stock	50,073 0 0	To be cancelled.		

L. & N.E.R. ABSORPTION SCHEME No. 1—*continued.*

Second Schedule.

Names of Vested Companies.	Assets to be Retained.
The Colne Valley and Halstead Railway Company.	£767.
The East and West Yorkshire Union Railways Company.	£964 8*s.* 4*d.*
The Edinburgh and Bathgate Railway Company.	£3,715 4% Debenture Stock of the Company.
The Forcett Railway Company	£521 14*s.* 2*d.* The Investments shown in Account No. 18 of the Forcett Railway Company's Accounts for the year ending 31st December, 1922, at £13,091 7*s.* 8*d.* subject to discharge thereout of all liabilities of that Company then outstanding.
The Great North of England Clarence and Hartlepool Junction Railway Company.	£70 18*s.* 10*d.*
The Horncastle Railway Company ..	£587 17*s.* 8*d.*
The London and Blackwall Railway Company.	£16,252 12*s.* 11*d.*
The Mansfield Railway Company	£11,077 subject to the discharge thereout of all revenue liabilities of that Company in respect of the period prior to 31st December, 1922, and to the payment of such amounts as may be required to make up the dividend for the year 1922 to the rate of 5% per annum on the Preference Shares and the dividend for that year to the rate of 4% per annum on the Ordinary Shares.
The Nottingham and Grantham Railway and Canal Company.	£484 7*s.* 8*d.* £6,449 19*s.* 9*d.* Investments.
The Nottingham Suburban Railway Company.	£249 0*s.* 5*d.*
The Stamford and Essendine Railway Company.	£1,568 15*s.* 8*d.*

Third Schedule.

Names of Vested Companies.	Stock cancelled.	£	*s.*	*d.*
The Brackenhill Light Railway Company.	Ordinary Shares	1,250	0	0
The Colne Valley and Halstead Railway Company.	5% "A" Debenture Stock ..	500	0	0
The East Lincolnshire Railway Company.	Consolidated Stock	1,000	0	0
The Lauder Light Railway Company.	Ordinary Shares	22,290	0	0
The Mansfield Railway Company	5% Redeemable "B" Debenture Stock.	100,000	0	0
	Ordinary Shares	25,000	0	0
The North Lindsey Light Railway Company.	6% Terminable Debenture Stock	50,752	0	0
	4½% Terminable Debenture Stock	800	0	0
	5% Preference Shares	68,662	0	0
	4% Preference Shares	5,160	0	0
	Ordinary Shares	73,000	0	0
The Nottingham Suburban Railway Company.	Ordinary Stock	500	0	0
The Sheffield District Railway Company.	Ordinary Shares	26,000	0	0
The West Riding Railway Committee.	West Riding and Grimsby Railway (Wakefield Station) Shares.	22,500	0	0

G.W.R. (Midland & South Western Junction) Absorption Scheme.

(1) Description of Stock, Shares and Loan of Vested Company.	(2) Amount issued.	(3) Stock or deferred Certificates for Stock of Great Western Company to be issued to Holders of amounts in Column 2.	(4) Proportion of Stock or deferred Certificates for Stock in Column 3 to be issued in exchange for each £100 of Stock or £100 of Shares in Column 2.	(5) Rate per cent. of interest to be paid for the periods stated and ended 30th June, 1923.
	£		£	
3% Rent Charge Stock	165,334	£124,000 4% Debenture Stock ..	75	15s. 0d. (3 months to 30th June, 1923).
3% "A" Debenture Stock	417,877	£250,726 5% Consolidated Preference Stock.	60	£1 10s. 0d. (6 months to 30th June, 1923).
3% "B" Debenture Stock (non-Cumulative).	476,789	£81,054 5% Consolidated Preference Stock.	17	8s. 6d. (6 months to 30th June, 1923).
3% "C" Debenture Stock (non-Cumulative).	191,117	£11,467 Consolidated Ordinary Stock. Deferred Certificates to bear dividend as on and from 1st January, 1929.	6	—
Swindon, Marlborough and Andover Section—				
5% Preference Shares (£10 each) ..	98,490	£3,940 do. do.	4	—
5% Perpetual Preference Stock (1881-2)	44,642	£1,786 do. do.	4	—
Swindon and Cheltenham Extension Section—				
5% Preference Shares (£10 each) ..	9,830	£393 do. do.	4	—
5% Preference Shares (£7 each) ..	287	£12 do. do.	4	—
Midland and South Western Junction Railway—				
5% Preference Shares (£10 each) ..	126,400	£5,056 do. do.	4	—
5% Perpetual Preference Stock ..	57,785	£2,311 do. do.	4	—
Ordinary Shares (£10 each)	291,510	£5,830 do. do.	2	—
Loan from Midland Railway Company	244,000	£85,000 5% Consolidated Preference Stock.	—	—

L. & N.E. (Forth & Clyde Junction) Absorption Scheme.

(1) Stock of Forth and Clyde Company.		(2) Stock of the Company created and issued by this Scheme.		(3)	(4) Amount of Stock in column 2 to be issued in exchange, and/or of cash to be paid for each £100 of Stock in column 1, and so in proportion.
Description.	Amount.	Description.	Amount.	Cash to be provided by the Company.	
	£ s. d.		£ s. d.	£ s. d.	£ s. d.
4% Debenture Stock	61,595 0 0	4% First Guaranteed Stock ..	61,595 0 0	—	100 0 0 Stock
5% Preference Stock	64,000 0 0	Deferred Ordinary Stock	32,000 0 0	5,920 0 0	50 0 0 Stock 9 5 0 Cash
5% Preference Shares	4,520 0 0	Deferred Ordinary Stock	904 0 0	497 4 0	20 0 0 Stock 11 0 0 Cash
6% Preference Shares	16,480 0 0	Deferred Ordinary Stock	2,060 0 0	2,307 4 0	12 10 0 Stock 14 0 0 Cash
7% Consolidated Stock	106,390 0 0	—	—	18,086 6 0	17 0 0 Cash

Southern Railway (Brighton & Dyke) Absorption Scheme.
London Midland & Scottish Railway (Leek & Manifold) Absorption Scheme.
London & North Eastern Railway (Mid-Suffolk) and (South Yorkshire Junction) Absorption Schemes.

Legal questions affecting the terms of absorption in the above cases are outstanding before the Court of Appeal.

APPENDIX V.

THE RAILWAYS

STATEMENT SHOWING THE DISTRIBUTION, UNDER THE FIVE SCHEMES OF WITH THE PROVISIONS OF SECTION 11 AND

Companies to which the said Sect. 11 and Sect. 12 apply.	£24,500,000 S. 12 (1) (*a*)	£500,000 S. 12 (1) (*b*)	£500,000 S. 12 (1)(*d*)
	£	£ s. d.	£
GROUP I (*Southern Railway Company*).			
London and South Western Railway Co. ..	1,101,031	—	5,630
London Brighton and South Coast Railway Co.	730,376	—	3,735
South Eastern and Chatham Railway Co.'s Managing Committee	1,064,445	—	5,443
South Eastern Railway Co.—			
Eastbourne Traffic	11,207	—	—
Hotels, etc.	2,793	—	—
Freshwater, Yarmouth and Newport Railway Co.	958	—	5
Isle of Wight Railway Co.	11,032	—	56
Isle of Wight Central Railway Co... ..	8,895	—	45
Plymouth, Devonport and S. Western Junct. Railway Co.—			
(Bere Alston and Calstock portion) ..	540	—	3
Total	£2,931,277	—	14,917
GROUP II (*Great Western Railway Company*).			
Alexandra (Newport and S. Wales) Docks and Railway Co.	99,964	—	511
Barry Railway Company	194,473	—	994
Cambrian Railway Company	73,655	—	377
Cardiff Railway Co.	112,762	—	577
Great Western Railway Co.	3,022,596	—	15,455
Rhymney Railway Co...	85,486	—	437
Taff Vale Railway Co.	235,070	—	1,202
Brecon and Merthyr Tydfil Junct. Railway Co.	28,642	—	146
Burry Port and Gwendreath Valley Railway Co.	6,537	—	33
Cleobury Mortimer and Ditton Priors Light Railway Co.	1,617	—	8
Didcot, Newbury and Southampton Railway Co.	—	9,787 15 5	—
Lampeter, Aberayron and New Quay Light Railway Co.	—	395 7 1	—
Llanelly and Mynydd Mawr Railway Co.	4,572	—	23
Mawddwy Railway Co.	—	3,470 7 6	—
Midland and S. Western Junct. Railway Co.	15,015	—	77
Neath and Brecon Railway Co.	20,916	—	107
Port Talbot Railway and Docks Co. ..	35,250	—	180
Teign Valley Railway Co.	—	11,271 2 5	—
Vale of Glamorgan Railway Co.	—	4,242 10 10	—
Welshpool and Llanfair Light Railway Co.	—	2,667 7 0	—
Total	3,936,555	31,834 10 3	20,127

COMPENSATION ACCOUNT.

ALLOCATION, OF £60,000,000 (AND ACCRUED INTEREST) IN ACCORDANCE SECTION 12 OF THE RAILWAYS ACT, 1912.

£5,000,000 S. 12 (1) (c) £2,784,313	S. 12 (1) (d) £2,215,687	£25,000,000 S. 12 (2) (a)	£5,000,000 S. 12 (2) (b) £2,784,313	S. 12 (2) (c) £2,215,687	£60,000,000 Totals.	£78,287 Interest.
£		£	£		£ s. d.	£
99,811		1,533,388	99,811		2,839,671 0 0	3,526
258,220		491,241	258,220		1,741,792 0 0	2,339
364,342		960,658	364,342		2,759,230 0 0	3,409
—		—	—		11,207 0 0	—
—		—	—		2,793 0 0	—
1,122		668	1,122		3,875 0 0	3
4,430		585	4,430		20,533 0 0	35
4,556		—	4,556		18,052 0 0	28
1,126		—	1,126		2,795 0 0	2
733,607		2,986,540	733,607		7,399,948 0 0	9,342
9,060		5,559	9,060		124,154 0 0	320
17,626		164,040	17,626		394,759 0 0	623
45,280		23,926	45,280		188,518 0 0	236
10,867		—	10,867		135,073 0 0	361
273,950		5,145,271	273,950		8,731,222 0 0	9,680
28,833		48,402	28,833		191,991 0 0	274
72,347		69,899	72,347		450,865 0 0	753
17,946		11,802	17,946		76,482 0 0	92
4,425		12,415	4,425		27,835 0 0	21
748		870	748		3,991 0 0	5
—		—	—		9,787 15 5	—
—		—	—		395 7 1	—
2,316		—	2,316		9,227 0 0	15
—		—	—		3,470 7 6	—
14,096		4,110	14,096		47,394 0 0	48
11,094		29,033	11,094		72,244 0 0	67
3,195		—	3,195		41,820 0 0	113
—		—	—		11,271 2 5	—
—		—	—		4,242 10 10	—
—		—	—		2,667 7 0	—
511,783		5,515,327	511,783		10,527,409 10 3	12,608

THE RAILWAYS

Companies to which the said Sect. 11 and Sect. 12 apply.	£24,500,000 S. 12 (1) (*a*)	£500,000 S. 12 (1) (*b*)	£500,000 S. 12 (1) (*d*)
	£	£ s. d.	£
GROUP III (*London Midland and Scottish Railway Company.*			
Caledonian Railway Company	1,143,993	—	5,850
Furness Railway Co.	142,379	—	728
Glasgow and South Western Railway Co.	418,525	—	2,140
Highland Railway Co.	136,199	—	696
Lancashire and Yorkshire Railway Co.	1,325,536	—	6,778
London and North Western Railway Co.	3,194,388	—	16,334
Midland Railway Co.	2,951,782	—	15,093
North Staffordshire Railway Co.	226,387	—	1,158
Brechin and Edzell District Railway Co.	—	1,199 0 3	—
Cathcart District Railway Co.	—	21,019 18 3	—
Charnwood Forest Railway Co.	—	2,448 6 8	—
Cleator and Workington Junct. Railway Co.	13,094	—	67
Cockermouth, Keswick and Penrith Railway Co.	6,257	—	32
Dearne Valley Railway Co.	12,118	—	62
Harborne Railway Co.	—	3,080 13 9	—
Knott End Railway Co.	499	—	3
Lanarkshire and Ayrshire Railway Co.	—	67,821 18 9	—
Maryport and Carlisle Railway Co.	28,638	—	146
Mold and Denbigh Junct. Railway Co.	—	3,746 14 0	—
North London Railway Co.	81,938	—	419
Portpatrick and Wigtownshire Jt. Cttee.	6,170	—	32
Stratford-upon-Avon and Midland Junct. Railway Co.	6,480	—	33
Wirral Railway Co.	8,724	—	45
Yorkshire Dales Railway Co.	—	2,207 16 6	—
Total	9,703,107	101,524 8 2	49,616
GROUP IV (*London and North Eastern Railway Company*).			
Great Central Railway Co.	929,177	—	4,751
Great Eastern Railway Co.	1,096,259	—	5,606
Great Northern Railway Co.	1,077,875	—	5,512
Great North of Scotland Railway Co.	140,652	—	719
Hull and Barnsley Railway Co.	212,246	—	1,085
North British Railway Co.	1,231,052	—	6,295
North Eastern Railway Co.	2,343,186	—	11,981
Colne Valley and Halstead Railway Co.	1,448	—	7
East and West Yorkshire Union Railways Co.	5,116	—	26
Horncastle Railway Co.	—	2,053 15 10	—
Hull and Barnsley and Great Central Railways Joint Committee	15,554	—	80
Kilsyth and Bonnybridge Railway Co.	—	13,115 2 3	—
Lauder Light Railway Co.	—	1,670 5 8	—
Mansfield Railway Co.	—	21,803 3 6	—
Mid-Suffolk Light Railway Co.	497	—	3
Newburgh and North Fife Railway Co.	—	26,950 16 11	—
North Lindsey Light Railway Co.	—	4,259 8 3	—
West Riding Railway Committee	81,816	—	418
Total	7,134,878	69,852 12 5	36,483

COMPENSATION ACCOUNT—(*continued*).

£5,000,000 S. 12 (1) (*c*) £2,784,313	S. 12 (1) (*d*) £2,215,687	£25,000,000 S. 12 (2) (*a*)	£5,000,000 S. 12 (2) (*b*) £2,784,313	S. 12 (2) (*c*) £2,215,687	£60,000,000 Totals.	£78,287 Interest.
£		£	£		£ s. d.	£
614,348		886,249	614,348		3,264,788 0 0	3,663
57,305		95,980	57,305		353,697 0 0	456
243,992		149,067	243,992		1,057,716 0 0	1,340
110,000		4,786	110,000		361,681 0 0	436
120,139		516,777	120,139		2,089,369 0 0	4,245
289,520		3,369,667	289,520		7,159,429 0 0	10,230
267,532		3,235,256	267,522		6,737,195 0 0	9,453
78,003		163,125	78,003		546,676 0 0	725
—		—	—		1,199 0 3	—
—		—	—		21,019 18 3	—
—		—	—		2,448 6 8	—
9,468		17,048	9,468		49,145 0 0	42
6,469		6,541	6,469		25,768 0 0	20
1,099		2,926	1,099		17,304 0 0	39
—		—	—		3,080 13 9	—
896		1,109	896		3,403 0 0	2
—		—	—		67,821 18 9	—
14,127		337	14,127		57,378 0 0	92
—		—	—		3,746 14 0	—
7,426		139,328	7,426		236,537 0 0	262
8,746		3,892	8,746		27,586 0 0	20
5,786		—	5,786		18,085 0 0	21
8,152		33,310	8,152		58,383 0 0	28
—		—	—		2,207 16 6	—
1,843,008		8,625,398	1,843,008		22,165,661 8 2	31,074
84,215		795,215	84,215		1,897,573 0 0	2,976
640,968		1,229,604	640,968		3,613,405 0 0	3,511
97,692		1,241,516	97,692		2,520,287 0 0	3,452
100,000		19,580	100,000		360,951 0 0	450
53,160		197,143	53,160		516,794 0 0	680
614,348		312,823	614,348		2,778,866 0 0	3,942
212,372		3,224,712	212,372		6,004,623 0 0	7,504
2,862		6,236	2,862		13,415 0 0	5
2,124		—	2,124		9,390 0 0	16
—		—	—		2,053 15 10	—
6,699		—	6,699		29,032 0 0	50
—		—	—		13,115 2 3	—
—		—	—		1,670 5 8	—
—		—	—		21,803 3 6	—
891		—	891		2,282 0 0	2
—		—	—		26,950 16 11	—
—		—	—		4,259 8 3	—
7,415		68,378	7,415		165,442 0 0	262
1,822,746		7,095,207	1,822,746		17,981,912 12 5	22,850

THE RAILWAYS

Companies to which the said Sect 11 and Sect. 12 apply.	£24,500,000 S. 12 (1) (*a*)	£500,000 S. 12 (1) (*b*)	£500,000 S. 12 (1) (*d*)
	£	£ s. d.	£
INDEPENDENT LINES.			
Avonmouth Light Railway Co.	—	—	—
Cheshire Lines Committee	169,634	—	867
Easingwold Railway Co.	151	—	1
East London Railway Co.	—	133,367 4 0	—
Festiniog Railway Co.	1,555	—	8
Forth Bridge Railway Co.	—	34,497 1 1	—
Great Central and Midland Joint Committee	38,378	—	196
Great Central, Hull and Barnsley and Midland Joint Committee	143	—	1
Great Central and North Staffordshire Railway Committee	4,343	—	22
Great Western and Great Central Railways Joint Committee	61,335	—	314
Great Western and Midland Railways Joint Committee	11,088	—	57
Kent and East Sussex Light Railway Co.	1,542	—	8
King's Lynn Docks and Railway Co.	6,970	—	36
Liverpool Overhead Railway Co.	18,075	—	92
Lynton and Barnstaple Railway Co.	1,584	—	8
Manchester South Junct. and Altrincham Railway Co.	39,895	—	204
Mersey Railway Co.	27,823	—	142
Methley Railway Joint Committee	4,096	—	21
Metropolitan Railway Co.	213,577	—	1,092
Metropolitan and Great Central Joint Cttee.	38,758	—	198
Metropolitan District Railway Co.	40,000	—	—
Metropolitan and District Railway Company's Joint Committee	13,092	—	67
Midland and Great Northern Railways Joint Committee	42,991	—	220
Norfolk and Suffolk Joint Committee	—	—	—
North Sunderland Railway Co.	393	—	2
Oldham, Ashton and Guide Bridge Railway Co.	1,209	—	6
Shropshire Railways Co.	—	3,924 4 1	—
Shropshire and Montgomeryshire Light Railway Co.	981	—	5
Somerset Joint Committee	32,795	—	168
Southwold Railway Co.	1,018	—	5
South Yorkshire Joint Line Committee	8,550	—	44
Weston, Clevedon and Portishead Light Railway Co.	335	—	2
Whitechapel and Bow Railway Joint Cttee.	13,872	—	71
Total	794,183	171,788 9 2	3,857
SUMMARY—			
	£	£ s. d.	£
Group I	2,931,277	—	14,917
Group II	3,936,555	31,834 10 3	20,127
Group III	9,703,107	101,524 8 2	49,616
Group IV	7,134,878	69,852 12 5	36,483
Independent	794,183	171,788 9 2	3,857
Total	24,500,000	375,000 0 0	125,000
		£500,000	

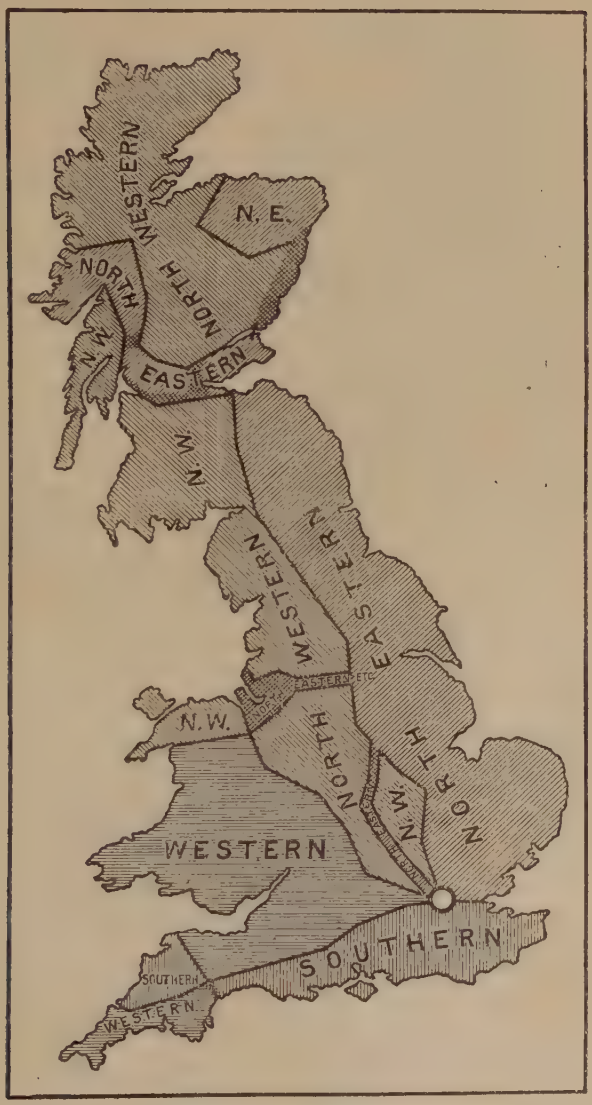
COMPENSATION ACCOUNT—(*continued*).

£5,000,000 S. 12 (1) (*c*) S. 12 (1) (*d*) £2,784,313 £2,215,687	£25,000,000 S. 12 (2) (*a*)	£5,000,000 S. 12 (2) (*b*) S. 12 (2) (*c*) £2,784,313 £2,215,687	£60,000,000 Totals.	£78,287 Interest.
£	£	£	£ s. d.	£
50	—	50	100 0 0	—
15,375	165,025	15,375	366,276 0 0	543
348	443	348	1,291 0 0	1
—	—	—	133,367 4 0	—
1,612	175	1,612	4,962 0 0	5
—	—	—	34,497 1 1	—
3,478	44,980	3,478	90,510 0 0	123
198	—	198	540 0 0	—
2,470	3,474	2,470	12,779 0 0	14
5,559	33,403	5,559	106,170 0 0	196
1,005	29,465	1,005	42,620 0 0	35
1,277	—	1,277	4,104 0 0	5
1,051	—	1,051	9,108 0 0	22
5,594	—	5,594	29,355 0 0	58
1,323	558	1,323	4,796 0 0	5
3,616	61,205	3,616	108,536 0 0	128
8,236	799	8,236	45,236 0 0	89
371	1,033	371	5,892 0 0	13
19,357	135,456	19,357	388,839 0 0	684
3,513	25,517	3,513	71,499 0 0	124
—	—	—	40,000 0 0	—
1,186	6,424	1,186	21,955 0 0	42
3,896	138,925	3,896	189,928 0 0	138
1,924	3,455	1,924	7,303 0 0	—
240	392	240	1,267 0 0	1
110	12,107	110	13,542 0 0	4
—	—	—	3,924 4 1	—
727	—	727	2,440 0 0	3
2,972	91,974	2,972	130,881 0 0	105
732	—	732	2,487 0 0	3
775	9,791	775	19,935 0 0	27
604	—	604	1,545 0 0	1
1,257	12,927	1,257	29,384 0 0	44
88,856	777,528	88,856	1,925,068 9 2	2,413
£	£	£	£ s. d.	£
733,607	2,986,540	733,607	7,399,948 0 0	9,342
511,783	5,515,327	511,783	10,527,409 10 3	12,608
1,843,008	8,625,398	1,843,008	22,165,661 8 2	31,074
1,822,746	7,095,207	1,822,746	17,981,912 12 5	22,850
88,856	777,528	88,856	1,925,068 9 2	2,413
5,000,000	25,000,000	5,000,000	60,000,000 0 0	78,287

APPENDIX VI.

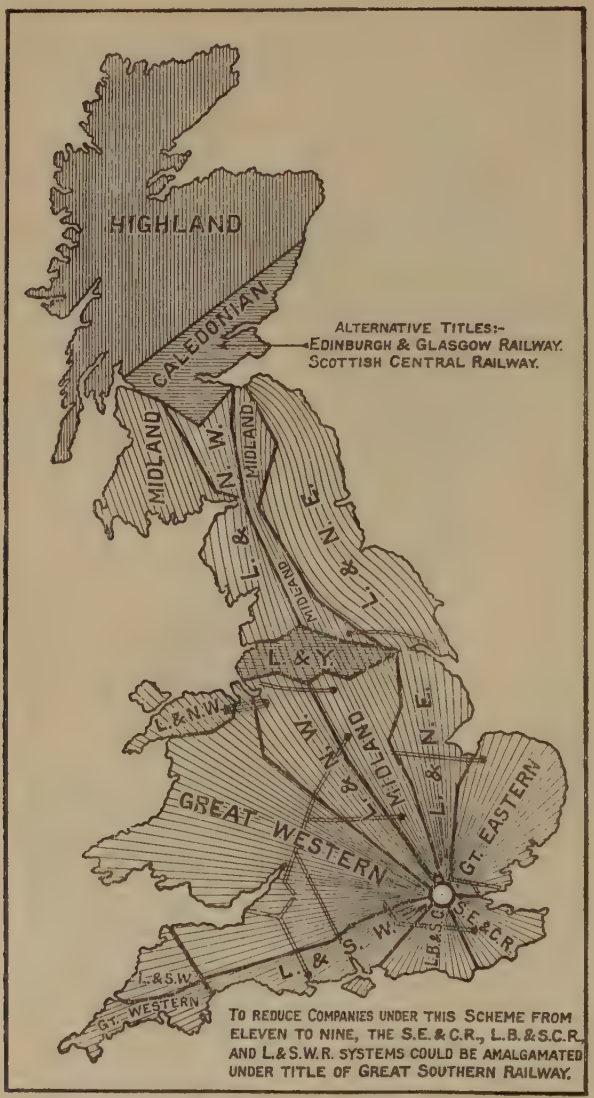
The Government Grouping Scheme as first proposed.

APPENDIX VI.—(*continued*).



The Four Group Scheme as Adopted.

APPENDIX VI.—(*continued*).


HIGHLAND
CALEDONIAN
ALTERNATIVE TITLES:-
EDINBURGH & GLASGOW RAILWAY.
SCOTTISH CENTRAL RAILWAY.
MIDLAND
L. & N. W.
MIDLAND
L. & N. E.
L. & Y.
L. & N. W.
MIDLAND
L. & N. E.
GREAT WESTERN
GT. EASTERN
L. B. & S. C.
S. E. & C. R.
S. W.
L. & S. W.
GT. WESTERN
TO REDUCE COMPANIES UNDER THIS SCHEME FROM ELEVEN TO NINE, THE S.E. & C.R., L.B. & S.C.R. AND L. & S.W.R. SYSTEMS COULD BE AMALGAMATED UNDER TITLE OF GREAT SOUTHERN RAILWAY.

An Alternative Scheme of Grouping outlined in "The Railway Gazette."

Based more on the flow of traffic than on territory, and preserving the identity of the leading railway companies.

APPENDIX VI.—(*continued*).

ALTERNATIVE SCHEME OF GROUPING OUTLINED IN "THE RAILWAY GAZETTE."

Name of Company.	Systems Absorbed.
London & North Western Railway Approximate Route Mileage, **2,800.**	Present London & North Western system (except lines west of Craven Arms); North Staffordshire; Furness; Maryport and Carlisle; Cleator & Workington, Cockermouth, Keswick & Penrith; Portions of Caledonian, viz., Carlisle to Glasgow and Carstairs to Edinburgh.
Midland Railway .. .. .. Approximate Route Mileage, **3,200.**	Present Midland Railway system (except lines west of Hereford); Glasgow & South Western; North British Railway (Carlisle to Edinburgh); Hull & Barnsley; Midland & South Western Junction; Stratford-on-Avon & Midland Junction; G.C.R. lines (Woodford to Manchester, and Chesterfield and Sheffield to Lincoln); Cheshire lines.
London & North Eastern Railway.. Approximate Route Mileage, **3,400.**	Present North Eastern Railway system; Present Great Northern Railway system, except lines west of Wakefield and Leeds; Great Central Railway, Lincolnshire lines (including Immingham and Grimsby); North British Railway, Berwick to Edinburgh and Border lines.
Great Eastern Railway .. .. Approximate Route Mileage, **1,400.**	Present G.E.R. system; Midland & Great Northern Joint; Colne Valley, Southwold, Mid-Suffolk.
***South Eastern & Chatham Railway** Approximate Route Mileage, **700.**	Present South Eastern & Chatham Railway system; East Kent; Kent & East Sussex.
***London, Brighton & South Coast Railway.** Approximate Route Mileage, **500.**	Present London, Brighton & South Coast Railway system; Selsey Bill.
***London & South Western Railway** Approximate Route Mileage, **1,200.**	Present London & South Western Railway system; Somerset & Dorset.
Great Western Railway .. .. Approximate Route Mileage, **3,600.**	Present Great Western Railway system; Local lines in South Wales (including London & North Western Railway, lines west of Craven Arms, and Midland lines west of Hereford); Cambrian; Wrexham Mold and Connah's Quay; Wirral (and Great Central Railway lines in Wirral peninsula); Great Central Railway Joint line to Ashendon (Marylebone to be relief terminus for Birmingham and Birkenhead lines); Great Central Railway; Ashendon to Woodford and Banbury to Woodford.
Lancashire & Yorkshire Railway.. Approximate Route Mileage, **800.**	Present Lancashire & Yorkshire Railway system; Portions of Great Central Railway; and Great Northern Railway systems not absorbed in other systems, as above mentioned; Dearne Valley; South Yorkshire Joint.
Edinburgh & Glasgow Railway. (Alternative title—Caledonian Railway.) Approximate Route Mileage, **1,500.**	Would be the "Lancashire & Yorkshire Railway of Scotland." Comprising those portions of the North British and Caledonian systems not taken over by the London & North Western, London & North Eastern and Midland systems (except as below).
Highland Railway .. .. .. Approximate Route Mileage, **1,000.**	Present Highland system; West Highland Railway (north of Helensburgh); Great North of Scotland Railway; Callander & Oban Railway.

* To reduce companies under this scheme from eleven to nine, it was suggested the S.E. & C.R., L.B. & S.C.R. and L. & S.W.R. systems could be amalgamated under the title of Great Southern Railway.

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